



**THE STATE GOVERNMENT OF OSUN
NIGERIA**

**REPORT OF THE AUDITOR – GENERAL
ON**

**THE FINANCIAL STATEMENTS AND
ACCOUNTS
OF**

**THE STATE GOVERNMENT OF OSUN
FOR**

THE YEAR ENDED 31ST DECEMBER, 2021

TABLE OF CONTENTS

PAGES

	Title Page	i
	Table of Content	ii
1.0	Introduction	1
1.1	Responsibilities of Accountant General	1
1.2	Responsibilities of Auditor General	2
1.3	Auditor General's Report / Audit Certificate	3
2.0	Features of the Accounts	4
3.0	ANNEXURE ONE: - THE ACCOUNTANT GENERAL'S IPSAS ACCRUAL BASIS FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31ST DECEMBER, 2020.	5-46
3.1	Audit Observations and Comments on the Accountant General IPSAS Accrual Basis Financial Statements, for the Year Ended 31ST December, 2020.	47-55
3.2	Accountant-General's Response	56-59
4.0	DOMESTIC REPORTS: Ministerial & Non-Ministerial Accounts Department	60-90
5.0	PENSION UNIT	91
6.0	PARASTALS AND SPECIAL INVESTIGATION UNIT (SIU)	92-103
7.0	PROJECT MONITORING AND EVALUATION UNIT	104-112
8.0	Audit Certification of Accounts	115

**REPORT OF THE AUDITOR-GENERAL STATE OF OSUN, ON THE ACCOUNTS
OF THE GOVERNMENT OF STATE OF OSUN FOR THE PERIOD ENDED 31ST
DECEMBER, 2021**

PART I

1.0 INTRODUCTION:

The Accounts of the State Government of Osun, Nigeria for the year ended 31ST DECEMBER, 2021 have been audited under my direction in accordance with the dictate of State of Osun Audit Law 2019 and section 125 sub-section 2 of the 1999 Constitution of the Federal Republic of Nigeria (as amended). I have certified the individual Accounts - Statement of Financial Position, Statement of Financial Performance, Statement of Net Asset/Equity, Statement of Cash Flow, Statement of Comparison of Budget and Actual and Notes to the Accounts - as correct subject to the observations and comments made in this report.

1.1 RESPONSIBILITIES OF THE ACCOUNTANT-GENERAL

In accordance with the provision of financial control and management act, 1958, the Accountant-General is responsible for the preparation of Financial Statements. The Financial Regulations of the State of Osun also empowers the Accountant-General as the Chief Accounting Officer for the receipts and payment of the State Government of Osun. He is responsible for the general supervision of accounting activities in all Ministries and Departments within the State and for compilation of The Annual Financial Statements of Accounts and of such other statements of Accounts as may be required by law. In doing this he also has responsibilities for:

- Conducting routine and in-depth inspection of the books of accounts of Ministries and Agencies of Government to ensure compliance with rules, regulations, policies, decisions and maintenance of Accounting Codes and Internal Audit Guide;
- Approving and ensuring compliance with accounting Codes and policies and Internal Audit Guides;
- Investigating in collaboration with Ministries of Finance and Economic Development, cases of fraud, loss of funds, assets and store items and other

financial malpractices in Ministries/Agencies of Government as well as rendition of report to appropriate agencies of government;

- Carrying out Revenue Monitoring and Accounting;
- Establishing and supervising Treasury Cash Offices in each Local Government in the State;
- Servicing of Public Debt and Loans; and
- Formulating the accounting Policy of the State Government

1.2 RESPONSIBILITIES OF THE AUDITOR-GENERAL

The Auditor-General of the State of Osun is the Officer responsible under the Constitution of the Federal Republic of Nigeria for audit and report on the accounts of all Ministries/Agencies of Government and all persons and bodies established by law and entrusted with the collection, receipt, custody and issue or payment of Public moneys or with the receipt custody, issue, sale, transfer or delivery of any Stamps, Securities, stores or other properties of the Government of the State and for the certification of The Annual Accounts of the Government. The State of Osun Audit Law 2019 also buttresses this empowerment of Auditor-General to express unbiased opinion on the financial activities of the state.

The Auditor-General shall examine in such manner as he may deem fit, the Accounts relating to Public Funds and property and shall ascertain whether in his opinion: -

- i. The accounts have been properly kept;
- ii. All public moneys have been fully accounted for and rules and procedure applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of revenue;
- iii. Money have been expended for the purpose for which they were appropriated; and
- iv. Essential records are maintained and rules and procedure applied are sufficient to safeguard and control public property and funds

1.3 AUDITOR-GENERAL'S REPORT/AUDIT CERTIFICATE

I have audited the Accounts of the Government of the State Government of Osun as at 31ST DECEMBER, 2021 as set out in the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Asset/Equity, Statement of comparison of Budget and Actual and Notes to the Accounts in accordance with Section 125(2) of the 1999 Constitution of the Federal Republic of Nigeria (as amended) and provisions of the State of Osun Audit Law 2019.

BASIS OF OPINION

The Financial and compliance Audit was conducted in accordance with International Standard on Auditing and generally accepted public sector and INTOSAI auditing standards. These standards require that I comply with the ethical requirements, plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misrepresentation whether due to fraud or error.

In the course of the Audit, I have, in accordance with section 02006 of the Financial Regulations of the State Government of Osun, Nigeria obtained all the information and explanation that to the best of my ability and belief were necessary for the purpose of the audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my independent opinion.

OPINION:

In my opinion the Financial Statements which include Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net asset/Equity, Statement of Comparison of Budget and Actual and Notes to the Accounts for the year ended 31st December 2021 give a true and fair view of the state of affairs and financial activities of the Government of State of Osun for the fiscal year ended.

Folorunso Adesina - B.Sc, (Hons.)PGD (ACCTS.), FCNA,
Auditor-General
State of Osun

2.0 FEATURES OF THE ACCOUNTS

By law the Accountant-General is expected within a period of six months after 31st day of December, of each year, transmit to the Auditor-General, Accounts showing the financial position of the State as at 31st day of December of the preceding year. In accordance with this stipulation the under listed Annual Financial Statements for the year ended 31ST DECEMBER, 2021 were submitted to my Office by the Accountant-General on 31st March, 2021:-

- (a) Statement of Financial Position;
- (b) Statement of Financial Performance;
- (c) Statement of Changes in Net Assets/Equity;
- (d) Statement of Cash Flows;
- (e) Statement of Comparison of Budget & Actual Amounts (On Cash Basis); and
- (f) Notes to the Accounts.

The above mentioned Statements and Notes were submitted by the Accountant-General in accordance with standardization of Accounts of Federal, State and Local Government of Nigeria.

ACCOUNTANT – GENERAL'S
FINANCIAL STATEMENTS
FOR
THE YEAR ENDED
31ST DECEMBER, 2021

STATEMENT OF FINANCIAL POSITION			
AS AT 31ST DECEMBER, 2021			
STATEMENT NO. 1			
	NOTES	31ST DEC. 2021	31ST DEC. 2020
		₦	₦
ASSETS			
CURRENT ASSETS			
Inventories	30	7,937,530,144.87	7,475,936,273.59
Receivables	31	5,356,652,863.16	4,368,903,407.26
Cash and Bank Balances	32	13,915,774,446.10	22,934,627,471.28
Prepayments	33	166,666.67	166,666.67
Total Current Assets		27,210,124,120.80	34,779,633,818.80
NON CURRENT ASSETS			
Property, Plant and Equipment	34	39,744,227,140.90	34,659,935,448.45
Infrastructure	35	86,357,120,777.41	72,835,117,975.60
Investment Property	36	49,393,637.65	45,598,637.65
Intangible Assets	37	1,211,713,599.61	284,186,884.62
Administrative Advances	38	21,500,000.00	21,500,000.00
Local Investments	39	5,965,051,616.28	4,946,644,863.48
Local Loans	40	71,170,620.79	71,982,494.89
Service Concession Assets	41	3,476,853,428.96	3,476,853,428.96
Specialized Assets	42	1,853,290,094.73	787,142,907.02
Assets under Construction	43	2,256,097,717.16	1,987,122,867.16
Total Non-Current Assets		141,006,418,633.49	119,116,085,507.84
TOTAL ASSETS		168,216,542,754.29	153,895,719,326.64
LIABILITIES			
CURRENT LIABILITIES			
Financial Liabilities		2,522,767,459.73	5,252,306,832.48
Liabilities and Accruals	45	12,540,467,140.43	12,635,174,291.04
Total Current Liabilities		15,063,234,600.16	17,887,481,123.52
NON CURRENT LIABILITIES			
Deposits	44	50,994,874.67	31,115,273.26
Employee Benefits Accruals	46	23,815,594,748.01	24,228,623,888.89
Financial Liabilities	47	53,034,857,111.46	48,573,292,993.02
Total Non-Current Liabilities		76,901,446,734.14	72,833,032,155.17
TOTAL LIABILITIES		91,964,681,334.30	90,720,513,278.69
NET ASSETS / EQUITY			

		76,251,861,419.99	63,175,206,047.95
NET ASSETS / EQUITY			
Accumulated Fund	Stmt 3	11,636,146,780.73	11,636,146,780.73
Accumulated Surplus	Stmt 3	64,015,087,218.89	50,986,882,721.93
Reserves	Stmt 3	600,627,420.36	552,176,545.29
NET ASSETS / EQUITY		76,251,861,419.99	63,175,206,047.95

STATEMENT OF FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 31ST DECEMBER, 2021			
STATEMENT NO. 2			
	NOTES	31ST DEC. 2021	31ST DEC. 2020
		₦	₦
Revenue			
Non Exchange Transactions	5	81,831,798,554.82	83,687,550,660.72
Exchange Transactions	5	8,858,136,212.71	8,134,204,031.33
Payables Written-Off			
Total Revenue		90,689,934,767.53	91,821,754,692.05
Expenses			
Employee Benefits	7	25,185,203,924.84	21,499,773,943.12
Social Contributions	8	4,438,878,187.75	2,917,931,769.97
Social Benefits	9	6,554,420,543.70	6,496,039,111.39
Travel & Transport	10	1,153,431,009.57	983,549,960.17
Utilities	11	838,030,070.13	945,657,771.32
Materials & Supplies	12	1,398,355,064.30	1,603,046,243.09
Maintenance Services	13	1,381,236,984.76	1,644,724,030.65
Training	14	918,680,810.10	910,728,969.65
Other Services	15	973,441,064.38	1,146,425,538.97
Consulting & Professional Services	16	3,128,618,467.57	3,010,390,090.22
Fuel & Lubricants	17	564,426,995.16	396,243,804.39
Financial Charges	18	118,888,915.70	477,689,176.69
Miscellaneous Expenses	19	6,111,846,358.40	4,083,945,916.02
Loans & Advances	20	21,728,482.01	8,335,888.16
Local Grants And Contributions	21	61,616,446.25	10,331,315.83
Foreign Grants And Contributions	22	150,000,000.00	100,000,000.00
Subsidies	23	441,465,064.97	652,152,808.01
Transfers-Payment	24	1,412,125.40	118,253,769.73
Preservation Of The Environment	25	4,688,750.00	42,850,300.00
Other Expenditure	26	241,509,823.15	101,076,522.58
Depreciation and Amortisation	29 & 34	3,110,368,307.41	2,727,523,386.54
		56,798,247,395.55	49,876,670,316.49
Excess of Income over Expenses before Interest		33,891,687,371.98	41,945,084,375.56
Interest Expense		20,362,505,904.88	18,959,371,539.81
Surplus for the Period		13,529,181,467.10	22,985,712,835.75

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

STATEMENT NO. 3					
AS AT 31ST DECEMBER, 2021	NOTES	ACCUMULATED FUND	ACCUMULATED SURPLUS	RESERVE	TOTAL
		₦	₦	₦	₦
Opening Balance		11,636,146,780.73	50,986,882,721.93	552,176,545.29	63,175,206,047.95
Surplus for the period			13,529,181,467.10		13,529,181,467.10
Fair Value Change in Financial Assets	39			48,450,875.07	48,450,875.07
Net Increase in Transitional Adjustments			(500,976,970.13)		(500,976,970.13)
		11,636,146,780.73	64,015,087,218.89	600,627,420.36	76,251,861,419.99
AS AT 31ST DECEMBER, 2020	NOTES	ACCUMULATED FUND	ACCUMULATED SURPLUS	RESERVE	TOTAL
		₦	₦	₦	₦
Opening Balance		11,636,146,780.73	24,571,252,194.11	300,559,654.10	36,507,958,628.94
Surplus for the period			22,985,712,835.75		22,985,712,835.75
Fair Value Change in Financial Assets				251,616,891.19	251,616,891.19
Net Increase in Transitional Adjustments			3,429,917,692.07		3,429,917,692.07
		11,636,146,780.73	50,986,882,721.93	552,176,545.29	63,175,206,047.95

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENT NO. 4			
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
Surplus/(Deficit) for the Period		13,529,181,467.10	22,985,712,835.75
Add Back:			
Depreciation and Amortisation		3,110,368,307.41	2,727,523,386.54
Interest Expense			
Changes in Working Capital:			
(Increase)/Decrease in Inventories		(461,593,871.26)	(1,134,960,937.13)
(Increase)/Decrease in Receivables		(987,749,455.90)	341,292,754.09
(Increase)/Decrease in Prepayments		0.00	200,000.00
Increase/(Decrease) in Liabilities and Accruals		334,476,974.83	(56,283,509.97)
Increase/(Decrease) in Employee Benefits		(413,029,140.88)	2,158,862,543.24
Cash Generated from Operations		15,111,654,281.30	27,022,347,072.51
Interest Paid			
Net Cash Flow from Operating Activities		15,111,654,281.30	27,022,347,072.51
Cash Flow from Investing Activities			
Land and Building		(5,475,493,502.91)	(4,652,528,611.72)
Plant and Machinery		(232,683,653.74)	(51,064,830.00)
Fixed Assets		(1,081,194,649.92)	(1,768,646,020.23)
Office Equipment		(247,861,483.61)	(318,950,010.12)
Furniture and Fittings		(721,945,855.98)	(264,126,906.77)
Infrastructure		(13,522,002,801.81)	(15,804,745,936.34)
Investment Property		(3,795,000.00)	-
Intangible Assets		(1,363,007,568.71)	(50,772,970.42)
Administrative Advances		-	(1,500,000.00)
Local Investments		(969,955,877.73)	(429,184,923.33)
Local Loans		811,874.10	127,200,774.95
Service Concession Assets		-	-
Specialized Assets		(1,066,147,187.71)	(309,945,214.03)
Assets under Construction		(268,974,850.00)	(682,885,632.12)
Net Cash Flow from Investing Activities		(24,952,250,558.02)	(24,207,150,280.13)
Financing Activities			
Principal Loan Repayment			
Deposits		19,879,601.41	3,121,977.80
Long Term Borrowings		801,863,650.12	9,759,695,389.96
Net Cash Flow from Financing Activities		821,743,251.53	9,762,817,367.76
Opening Balance of Cash and Bank Balances		22,934,627,471.28	10,356,613,311.14

Net Changes in Cash and Bank Balances		(9,018,853,025.19)	12,578,014,160.14
Closing Balance of Cash and Bank Balances		13,915,774,446.09	22,934,627,471.28

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (PREPARED ON CASH BASIS)				
FOR THE YEAR ENDED 31ST DECEMBER, 2021				
STATEMENT NO. 5				
	2021 BUDGET	2021 ACTUAL	VARIANCE	
	₦	₦	₦	
Revenue from Non-Exchange Transactions				
Statutory Allocation	31,943,474,170.00	31,553,984,546.62	389,489,623.38	
Value Added Tax	17,788,091,850.00	20,753,187,721.03	(2,965,095,871.03)	
Excess Crude	-	-	-	
Other Revenue from FAAC	1,500,000,000.00	1,794,488,800.97	(294,488,800.97)	
Personal Taxes	6,960,501,210.00	12,137,832,577.54	(5,177,331,367.54)	
Corporate Taxes	2,566,050,000.00	-	2,566,050,000.00	
Licences	983,332,870.00	734,405,359.66	248,927,510.34	
Fines	172,700,000.00	137,975,658.38	34,724,341.62	
Capital Receipts	31,951,660,010.00	14,207,495,752.94	17,744,164,257.06	
Sub-Total (A)	93,865,810,110.00	81,319,370,417.14	9,215,582,992.86	
Revenue from Exchange Transactions				
Fees	9,731,913,160.00	6,489,725,342.05	3,242,187,817.95	
Sales	781,596,468.00	237,891,179.18	543,705,288.82	
Earnings	2,478,664,882.00	2,878,609,998.04	(399,945,116.04)	
Rent on Government Properties	1,152,934,000.00	66,157,901.70	1,086,776,098.30	
Investment Income	143,800,000.00	139,344,084.34	4,455,915.66	
Interest Earned	6,500,000.00	8,460,461.72	(1,960,461.72)	
Reimbursement	200,800,000.00	24,990,000.00	175,810,000.00	
Repayments	1,493,033,020.00	-	1,493,033,020.00	
Sub-Total (B)	15,989,241,530.00	9,845,178,967.03	6,144,062,562.97	
Total Revenue C = (A) + (B)	109,855,051,640.00	91,164,549,384.17	15,359,645,555.83	
Less: Expenditure Budgeted by Nature of Cost				
Personnel Cost	39,211,292,750.00	36,773,538,266.97	2,437,754,483.03	
Overhead Cost	21,342,715,820.00	17,365,613,626.11	3,977,102,193.89	
Loan Repayment	21,087,152,700.00	24,049,762,261.59	(2,962,609,561.59)	
Sub-Total (D)	81,641,161,270.00	78,188,914,154.67	3,452,247,115.33	
Less: Capital Expenditure by Functions of Government				
General Public Services	6,356,135,580.00	5,543,149,943.41	812,985,636.59	
Public Order and Safety	325,210,330.00	100,928,615.43	224,281,714.57	

Economic Affairs	5,774,038,660.00	5,178,156,044.33	595,882,615.67
Environmental Protection	562,051,000.00	412,080,808.00	149,970,192.00
Housing and Community Ammenities	1,403,165,910.00	557,973,003.66	845,192,906.34
Health	4,547,909,910.00	1,809,980,432.06	2,737,929,477.94
Recreation, Culture and Religion	315,600,550.00	27,414,640.00	288,185,910.00
Education	8,811,928,430.00	8,335,089,267.80	476,839,162.20
Social Protection	117,850,000.00	29,715,500.00	88,134,500.00
Sub-Total (E)	28,213,890,370.00	21,994,488,254.69	6,219,402,115.31
Total Expenditure F = (D) + (E)	109,855,051,640.00	100,183,402,409.36	9,671,649,230.64

NOTES TO THE FINANCIAL STATEMENTS

1. INTRODUCTION

This Financial Statement of the State Government of Osun for the year ended 31st December 2021 was prepared and approved for publication by the Accountant-General. It comprises a detailed report of all activities of the State Government across all Sectors of Governance.

2. STATEMENT OF COMPLIANCE WITH IPSAS AND TRANSITIONAL DISCLOSURES.

The Financial Statement was prepared on an Accrual Basis (except for the Statement of Cash flows and the Statement of Budget comparison) and is International Public Sector Accounting Standards (IPSAS) compliant. It should be noted that certain Transitional Exemptions under IPSAS 33 (First Time Adoption of Accrual Basis IPSAS) still apply due to the yet to be concluded valuation of Assets and Liabilities in existence prior year 2016.

As a result of the foregoing, the State is unable to make an explicit and unreserved Statement of Compliance with Accrual Basis IPSAS in preparing the Financial Statements for the period under report.

The Financial Statements are presented in the Nigerian currency (Naira) and necessary Accounting Policies consistently applied as highlighted in Note 3.

3. STATEMENT OF ACCOUNTING POLICIES

3.1. Basis of Preparation

The GPFS shall be prepared under the Historical Cost Convention and in accordance with IPSAS Accrual Basis and other applicable standards and conventions as may be defined by relevant statutes.

3.2. Accounting Period

The accounting year (fiscal year) is from 1st January to 31st December in line with the National Treasury Circular Ref. OAGF/CAD/026/V.1/102 of 30th December, 2013. Each accounting year is divided into 12 calendar months (periods) and set up as such in the accounting system.

3.3. Reporting Currency

The GPFS is prepared in the Nigerian currency (Naira)

3.4. Principal Statement in the GPFS - IPSAS 1

- a. The Statement of Financial Position
- b. The Statement of Financial Performance
- c. The Statement of Changes in Net Assets/Equity

- d. The Statement of Cash flow
- e. The Statement of Comparison of Budget and Actual Amounts
- f. The Notes to the GPFS

3.5. Consolidation Policy – IPSAS 6

- a. The Consolidation of the GPFS is based on Accrual Basis of Accounting
- b. All Public Sector Entities (PSEs)/Ministries, Departments and Agencies (MDAs) of the Government are consolidated.
- c. Consolidation of the GPFS are in agreement with the provisions of all the relevant legal requirements.
- d. Controlled entities are fully consolidated from the date on which control is transferred to the Public Entity. They are de-consolidated from the date that control ceases.
- e. All PSEs/MDAs submit monthly Trial Balance to the Treasury.
- f. All PSEs/MDAs prepare their individual GPFS at the end of each financial year.

3.6. Notes to the GPFS

- a. Notes to the GPFS are presented in a systematic/chronological order. The Items in the Statements are cross referenced to any related information in the Notes
- b. The Notes to the GPFS follows the format provided in the Accrual Accounting Manual.

3.7. Budget Information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the government. Budget figures are from the total budget in accordance with the Appropriation Law or similar legislations.

3.8. Revenue: 8.1 Non-Exchange Transactions – IPSAS 23

- a. Public Entity recognizes revenues from non-exchange transactions such as fees, taxes and fines when any of the events occur and the recognition criteria are met.
- b. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

3.8.2. Exchange Transactions – IPSAS 9

Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of PSEs/MDAs' activities. Revenue is shown net of tax, returns, rebates and discounts.

3.9. Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership has been transferred to the buyer, usually when goods are delivered and the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

3.10. Rendering of services

a. Revenue for rendering of services is recognized based on the stage of completion when the outcome of the transaction can be estimated reliably.

b. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

3.11. Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

3.12. Dividends

Dividends or similar distributions is recognized when Government's right to receive income is established.

3.13. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

3.14. Other Revenue

Other revenue are proceeds that arise outside the ordinary course of government business. These include:

- a. Gains on disposal of property, plant and equipment.
- b. Disposal of investments such as shares, treasury bills, etc.

Any gain on disposal is recognized at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

3.15. Aids and Grants:

Aids and Grants to government through an MDA is recognized as income on entitlement, while aids and grants to other Governments/Organizations are recognized as expenditure on commitment.

3.16. Subsidies, Donations and Endowments

Subsidies, Donations and Endowments to an MDA are recognized as income when money is received, or entitlement to receive money is established; except where fulfilment of any restrictions attached to these monies is not probable.

3.17. Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on receipt of the asset (cash, goods, services and property) if it is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured.

3.18. Expenses

All expenses shall be reported on Accrual Basis of accounting, i.e. all expenses are recognized in the period they are incurred or when the related services are enjoyed, irrespective of when the payment is made.

3.19. Employee Benefits/Pension Obligations – IPSAS 25

3.19.1 Under the Defined Benefits Scheme:

a. Provision is made, where applicable, using an actuarial valuation for retirement gratuities. The actuarial valuation determines the extent of anticipated entitlements payable under employment contracts and brings to account a liability using the present value measurement basis, which discounts expected future cash outflows.

b. To the extent that it is anticipated that the liability will arise during the following year, the entitlements are recorded as Current Liabilities. The remainder of the anticipated entitlements are recorded as Non-Current Liabilities.

3.19.2 Under the Defined Contribution Scheme

a. Government makes pension and national insurance contributions on behalf of employees in line with Osun Pension Act 2008. The contributions are treated as payments to a defined contribution pension plan.

b. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension Entity fund managed by Pension Fund Administrators (PFAs).

c. The Government do not have legal or constructive obligations to pay further contributions if the pension Entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

d. The contributions are recognized as employee benefit expense when they are due.

e. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.20. Interest on Loans:

- a. Interest on loans are treated as expenditure or as a charge in the Financial Performance report (Statement of Financial Performance).
- b. Interest expense accrue using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the exposed life of the financial liability to that liability's net carrying amount.
- c. The method is to apply this rate to the principal outstanding in order to determine interest expense in each period.

3.21. Statement of Cash Flow

This statement is prepared using the direct method in accordance with the format provided in the GPFS. The Cash flow statement consists of three (3) sections:

- a. Operating activities section include cash received from all income sources of the Government and record the cash payments made for the supply of goods and services.
- b. Investing activities section are those activities relating to the acquisition and disposal of noncurrent assets.
- c. Financing activities section comprises the change in equity and debt capital structure of the Government.

3.22. Cash & Cash Equivalent

Cash and Cash Equivalent means cash balances on hand, held in bank accounts, demand deposits and other investments with an original maturity of 6 months or less in which the PSEs/MDAs invest as part of its day-to-day cash management and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Cash & Cash Equivalent is reported under Current Assets in the statement of financial position.

3.23. Accounts Receivable:

- a. Receivables from Exchange Transaction.
 - I. Receivables from exchange transactions are recognized when revenue is earned and measured initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.
 - II. A provision for impairment of receivables is established when there is objective evidence that the PSEs/MDAs will not be able to collect all amounts due according to the original terms of the receivables.

b. Receivables from Non-exchange Transactions

I. Receivables from non-exchange transactions comprise; fees, taxes and fines and any penalties associated with these activities as well as social benefit receivables that do not arise out of a contract

.II. These receivables are initially assessed at nominal amount or face value; that is, the receivable reflect the amount of tax owed, levy, and fine charged or social benefit debt payable.

III. These receivables are subsequently adjusted for penalties as they are charged and tested for impairment

IV. Interest and penalties charged on tax receivables are presented as tax revenue in the statement of Financial Performance.

3.24. Prepayments

Prepaid expenses are amounts paid in advance of receipt of goods or services.

a. They can represent payments made early in the year for benefits to be received over the latter part of the year, or payments made in one year for benefits to be received in subsequent years.

b. Prepayments for which the benefits are to be derived in the following 12 months are classified as Current Assets. Where the benefits are expected to accrue beyond the next 12 months, it is accounted for as a Long-Term Prepayment and classified as Non-Current Assets.

c. Prepayments that are identifiable with specific future revenue or event, e.g. adverts, are expensed in the period in which the related event takes place; those that relate to specific time periods, e.g. insurance, rent, leasehold premises, are recognized as an expense in such periods.

d. Prepayments not exceeding 100,000 are expensed immediately, except there is a possibility of obtaining a refund or credit within the same financial year.

3.25. Inventories – IPSAS 12

a. Inventories are measured initially at cost.

b. Subsequently, inventories are measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

c. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

d. Cost shall be determined using the FIFO method.

e. Inventories held for distribution for public benefit purposes are recorded at cost, adjusted where applicable for any loss of services potential.

f. Inventories are reported under Current Assets in SFP

g. However, inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations

3.26. Loans Granted:

Loans Granted are shown at estimated realizable value after providing for bad, doubtful debts and impairments.

3.27. Property, Plant & Equipment (PPE) – IPSAS 17

a. All PPE are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items and bringing it to the state of usage.

b. Where an asset (other than land) is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially recognized at fair value, where fair value can be reliably determined, as income in the statement of financial performance unless there are restrictions on the asset's usage in which case income is deferred.

c. All land held by Government owned entities are not included in the Government's financial statements unless that land is to be used for development purposes.

d. The following constitutes expenditure on PPE:

I. Amounts incurred on the purchase of such assets. Consumables are wholly expensed irrespective of their amounts.

II. Construction Cost, including materials, labour and overheads

III. Improvements to existing PPE, which significantly enhance their useful life.

IV. Other associated costs.

3.28. Cost.

The cost of an item of PPE comprises: its purchase price, including import and non-recurring costs and any directly attributable costs of bringing the asset to its location and working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

a. PPE are stated at cost or at their professional valuation less accumulated depreciation and impairment.

b. The amount recorded for a PPE includes all costs directly related to its acquisition including expenditures incurred to place the asset in usable condition for the Service. Accordingly, the cost of the assets includes acquisition or construction costs, custom duties, transportation charges, professional fees, installation costs, etc. Cash discounts are netted against the cost of the assets.

3.29. Capitalization

a. The capitalization threshold is ₦100,000 (One Hundred Thousand Naira).

b. Only amounts spent in connection with the above and whose values exceed (One Hundred Thousand Naira) ₦100,000 are capitalized.

c. All assets equal to or above this amount are recorded in the Fixed Assets Register (Non-current Asset Register). However, in certain cases, it may be appropriate to aggregate individually insignificant value items such as chairs and tables, printers, UPS, etc. and apply the capitalization threshold to the aggregate value.

d. Fixed assets whose costs are below the capitalization threshold are charged appropriately to the following accounts: office supplies – furniture, office supplies – IT equipment, office supplies – household equipment, etc.

e. Where an asset's category already exists for a newly acquired asset below the capitalization threshold, such an asset is capitalized irrespective of its cost and recorded in the fixed assets register under the appropriate category.

f. The capitalization of PPE depends on provisions in the capital budget.

3.30. Depreciation

The cost of PPE are written off, from the time they are brought into use, on a straight line basis over their expected useful lives less any estimated residual value as follows:

a. Lease Properties Over the term of the lease

b. Buildings 50 Years

c. Plant and Machinery 10 Years

d. Motor Vehicles 4 Years

e. Office Equipment 6 – 7 years

f. IT Equipment 3 years

g. Furniture and Fittings 6 – 7 Years

h. Specific cultural and heritage assets are not to be depreciated

i. The full depreciation charge is applied to PPE in the months of usage regardless of the day of the month the transactions was carried out. However, there is no depreciation in the year of disposal.

j. Fully depreciated assets that are still in use are carried in the books at a net book value of ₦1,000.00

k. An asset's carrying amount is written down immediately to its recoverable amount or recoverable service if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

3.31. Revaluation

a. The assets' residual values and useful lives is reviewed, and adjusted if appropriate, at the end of each reporting period.

b. Surplus arising from the revaluation is transferred to the revaluation reserve in the financial position under reserves and to the statement of changes in net assets/equity.

c. In case of revaluation deficit, it is set against the respective asset value and the corresponding entry to either the revaluation reserve – if surplus exists on the same class of asset, or to the statement of financial performance as an expense.

3.32. Disposal

Gains or losses on the disposal of PPE are included in the income statement as either an income or expense respectively.

3.33. Impairment

Government tests for impairment of its PPE where it suspects that impairment has occurred.

3.34. Investment Properties – IPSAS 16

These are cash-generating properties owned by the Government. The cost, capitalization, depreciation and impairment of Investment Property are same with PPE, but are reported separately in the GPFS. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated the same way as PPE. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

3.35. Intangible Assets – IPSAS 31

a. These consists of assets that are not physically tangible which have been acquired and held for use from which benefits are derivable beyond a financial year.

b. Intangible Assets acquired are initially recognized at cost.

c. The cost of an item of intangible asset comprises: its purchase price, including non-recurring costs and any directly attributable costs of bringing the asset to its state of intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

d. Intangible assets are tested for impairment and amortized over the estimated useful life using the straight line method on an annual basis.

e. Classes of intangible Assets and their estimated useful lives are as follows:

- | | |
|--|--------------------|
| I. Software acquired externally | 3 years |
| II. Goodwill (Acquired) | 4 years |
| III. Copyrights | 4 years |
| IV. Trademarks | 4 years |
| V. Other Intangible assets | 4 years |
| VI. Intangible assets with infinite life | are not amortized. |

3.36. Deposits

Deposits are amounts received in advance in respect of goods or services provided.

It represents payments received early in the year for goods/services to be offered over the latter part of the year, or payments received in one year for services that are to be offered in subsequent years. Deposits for which the services are to be offered in the following 12 months are classified as Current Liabilities. Where the services are expected to span beyond the next 12 months, it is accounted for as Non-Current Liabilities.

3.37. Unremitted Deductions

Unremitted Deductions are monies owned to third parties such as tax authorities, schemes, associations and other government agencies. These include: tax deductions and other deductions at source.

These amounts are stated in the GPFS at their repayment value, which shall be treated as Current Liabilities in the Statement of financial Position.

3.38. Payables

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.39. Accrued Expenses

These are monies payables to third parties in respect of goods and services received.

Accrued Expenses for which payment is due in the next 12 months are classified as Current Liabilities. Where the payments are due beyond the next 12 months, it is accounted for as Non-Current Liabilities.

3.40. Reserves

Reserves are classified under equity in the Statement of Financial Position which includes Accumulated Surplus/Deficit and the Revaluation Reserves.

3.41. Contingent Liability – IPSAS 19

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only by uncertain future event(s) or present obligation arising from past events that are not recognized because either an outflow of economic benefit is not probable or the amount of the obligation cannot be reliably measured.

Contingent liabilities are only disclosed in the Notes to the GPFS.

3.42. Leases – IPSAS 13**3.42.1 Finance leases**

- a. These are leases which effectively transfer to the lessee Entity substantially all the risks and rewards incidental to ownership of the leased item.
- b. They are capitalized at the present value of the minimum lease payment.
- c. The leased assets and corresponding liabilities are disclosed while the leased assets are depreciated over the period the Government is expected to benefit from their use.

3.42.2 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

a. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of Financial Performance on a straight-line basis over the period of the lease.

3.43. Financial Instruments – IPSAS 28 and 29

a. These form part of the Government's everyday operations. These financial instruments include Bank Accounts, Short Term Deposits, Trade and Accounts Receivable, Trade and Accounts Payable and Term Borrowings, all of which shall be recognized in the Statement of Financial Position.

b. Revenue and expenses in relation to all financial instruments are recognized in the Statement of Financial Performance.

3.44. Loans and Borrowings

Loans are borrowings received to be paid back at an agreed period of time. They are classified under liability in the GPFS and categorized as either short or long term.

a. Borrowings are recognized initially at fair value, net of transaction costs incurred.

b. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value are recognized in the consolidated statement of financial performance over the period of the borrowings using the effective interest method.

c. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan. The fees are capitalized and amortized over the period of the facility to which it relates.

d. Borrowings falling due within 12 months shall be classified as current liabilities while borrowings falling due more than 1 year are classified as long term borrowings.

e. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized and included in the cost of that asset.

f. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

g. All other borrowing costs are recognized as an expense in the period in which they are incurred.

h. Recognition of liabilities falling due for the year.

A minimum of 2% to 5% provision is made on all loans including inherited loan prior to the adoption of IPSAS in year 2016 as the current portion that will be redeemable in the coming year.

3.45. Transfers to Other Government Entities

Transfers to other government entities are non-exchange items and are recognized as expenses in the statement of financial performance.

3.46. Service Concession Arrangement – IPSAS 32**3.46.1 Service Concession Arrangement Assets**

a. Service Concession Assets are operated by third parties under the terms of service Concession Arrangement. On classification, the original service concession asset are measured at its fair value and any difference between its fair value and its book value is recognized in the Statement of Financial Performance.

b. Since the fair value of assets previously transferred under Service Concession Arrangements is not reliably available, Government has chosen to adopt the standard retrospectively from 1st January 2016.

c. If the terms of the arrangement require Government to compensate the operator for the concession asset by making payments and the payments are separable between the asset and service portions of the payment, then the fair value of the original service concession asset is the fair value of the asset portion of the payments. If however the asset and service portions of the payments are not separable, the fair value is determined using estimation techniques.

3.46.2 Service Concession Arrangement Liabilities

a. When Government recognizes a Service Concession Arrangement Asset, it also recognize a liability of an equal amount.

b. The liability are split between a financial liability and a performance obligation.

c. The financial liability arises from the payments due from an entity under the terms of the Service Concession Arrangement and the performance obligation from the rights granted to the operator under the terms of the Service Concession Arrangement to earn revenues from the Service Concession Asset(s) or associated asset(s).

3.47. Losses through Criminal Conduct

Losses through criminal conduct, and any amounts recovered, are disclosed separately.

5	<u>REVENUE ACCRUED FOR THE YEAR 2021</u>	
	Revenue from Non-Exchange Transactions	
	Statutory Allocation	32,197,189,054.99
	Value Added Tax (VAT)	21,032,408,577.00
	Forex Equalization	47,032,610.35
	Excess Bank Charges	12,082,966.57
	Exchange Gain	176,625,255.50
	Other Revenue (Augmentation)	625,318,622.58
	Ecological Fund	610,755,738.23
	Solid Mineral Revenue	43,195,991.05
	Solid Mineral Rev. (13%)	18,373,277.18
	Non-Oil Revenue	312,659,311.29
	Receipt From OYO STATE	1,000,000,000.00
	CBN Bridge Finance	3,007,180,457.14
	Grant From SFTAS	1,834,706,200.00
	Domestic Aids	1,521,906,305.07
	Foreign Aids	203,121,488.00
	Domestic Grants	5,393,067,699.38
	Foreign Grants	785,961,404.91
	Personal Taxes - Ministry Of Agriculture, Food Security	4,586,880.00
	Personal Taxes - Osun State Internal Revenue Service	12,117,891,597.54
	Personal Taxes - Office Of Forestry, Natural & Mineral Resources	10,000,000.00
	Personal Taxes - Bureau Of Public Service Pension	5,354,100.00
	Licences - Ministry Of Empowerment And Youth Engagement	21,000.00
	Licences - Ministry Of Agriculture, Food Security	33,714,610.00
	Licences - Ministry Of Education	4,594,000.00
	Licences - Osun State Mass Education Agency	

		6,555,000.00
	Licences - Ministry Of Health	1,290,250.00
	Licences - Ministry Of Commerce, Industry, Cooperatives And Empowerment	2,000,000.00
	Licences - Ministry Of Lands And Physical Planning	43,105,250.00
	Licences - Osun State Internal Revenue Service	638,104,649.66
	Licences - Ministry Of Environment & Sanitation	2,493,500.00
	Licences - Osun Parks And Gardens Management Agency	870,000.00
	Licences - Ministry Of Women & Children Affairs	1,001,000.00
	Licences - Osun State Waste Management Agency	400,000.00
	Licences - Osun State Agricultural Development Corporation	256,100.00
	Fines - Ministry Of Agriculture, Food Security	28,456,780.00
	Fines - Ministry Of Health	1,242,500.00
	Fines - Ministry Of Commerce, Industry, Cooperatives And Empowerment	1,391,561.54
	Fines - Ministry Of Works	425,000.00
	Fines - Ministry Of Lands And Physical Planning	1,732,500.00
	Fines - Osun State Capital Territory Development Authority	510,390.75
	Fines - Osun Signage, Hoarding And Advertisement Agency	2,433,100.75
	Fines - Osun State Internal Revenue Service	65,890,528.13
	Fines - Osun State Judiciary (High Court Of Justice)	1,178,700.00
	Fines - Customary Court Of Appeal	525,643.50
	Fines - Ministry Of Environment & Sanitation	1,009,200.00
	Fines - Office Of Forestry, Natural & Mineral Resources	80,000.00
	Fines - Osun State Waste Management Agency	249,400.00
	Fines - Office Of Transportation	13,586,570.00
	Fines - Office Of Surveyor General	557,229.41
	Fines - Osun State Agricultural Development Corporation	334,000.00
	Fines - Osun State College Of Technology, Esa-Oke	16,305,160.00
	Fines - Osun State Health Insurance Scheme	42,000.00

	Fines - Osun State Property Development Corporation	565,000.00
	Fines - Osun State Water Corporation	1,460,394.30
	Total Non-Exchange Revenue	81,831,798,554.82
	Revenue From Exchange Transactions	
	Fees - Osun State Public Procurement Agency	5,385,000.00
	Fees - Ministry Of Agriculture, Food Security	22,762,960.00
	Fees - Ministry Of Local Governments And Chieftaincy Affairs	3,632,000.00
	Fees - Ministry Of Education	69,864,251.89
	Fees - Osun State Library Board	67,000.00
	Fees - Osun State Universal Basic Education Board	1,011,366.58
	Fees - Board For Technical And Vocational Education	3,560,400.00
	Fees - Osun State Mass Education Agency	475,000.00
	Fees - Ministry Of Economic Planning, Budget & Development	2,362,500.00
	Fees - Office Of The Accountant - General	140,000.00
	Fees - Ministry Of Finance	225,000.00
	Fees - Ministry Of Health	1,440,250.00
	Fees - Osun State Hospital Management Board	1,046,000.00
	Fees - Osun New Towns And Growth Areas Development Authority	301,905.42
	Fees - Ministry Of Justice	184,000.00
	Fees - Ministry Of Works	8,370,270.00
	Fees - Ministry Of Lands And Physical Planning	127,285,958.05
	Fees - Osun State Capital Territory Development Authority	18,000,000.00
	Fees - Osun Signage, Hoarding And Advertisement Agency	7,119,348.00
	Fees - Office Of The Auditor General (State)	1,040,000.00
	Fees - Osun State Internal Revenue Service	9,787,500.00
	Fees - Local Government Service Commission	180,000.00
	Fees - Osun State Judiciary (High Court Of Justice)	69,003,267.50
	Fees - Judicial Service Commission	103,750.00
	Fees - Customary Court Of Appeal	722,642.44

	Fees - Ministry Of Environment & Sanitation	5,072,233.82
	Fees - Osun Parks And Gardens Management Agency	20,600.00
	Fees - Osun State Rural Water & Environmental Sanitation Agency	41,000.00
	Fees - Office Of Forestry, Natural & Mineral Resources	3,000,000.00
	Fees - Ministry Of Home Affairs	2,362,525.69
	Fees - Office Of Tourism And Culture	35,000.00
	Fees - Osun State Council For Arts And Culture	640,950.00
	Fees - Ministry Of Women & Children Affairs	348,000.00
	Fees - Ministry Of Human Resources & Capacity Development	2,484,500.00
	Fees - Osun State House Of Assembly	13,000.00
	Fees - Osun State Waste Management Agency	458,300.00
	Fees - Office Of Transportation	73,381,420.00
	Fees - Ministry Of Innovation, Science And Technology	45,000.00
	Fees - Office Of Higher Education, Bursary And Scholarship	890,000.00
	Fees - Osun West Education District Ikire	960,000.00
	Fees - Osun Central Education District Office Ila Orangun	553,000.00
	Fees - Osun East Education District Ile Ife	73,000.00
	Fees - Osun State Primary Health Care Development Board	1,100,000.00
	Fees - Office Of The Governor	32,190,000.00
	Fees - Office Of The Auditor General (Local Governments)	10,000.00
	Fees - Ministry Of Human Resources & Capacity Building	6,549,500.00
	Fees - Osun State Agricultural Development Corporation	400,000.00
	Fees - Osun Micro Credit Agency	9,327,132.94
	Fees - Osun State College Of Technology, Esa-Oke	627,428,500.00
	Fees - Osun State Polytechnic, Iree	1,247,427,111.44
	Fees - Osun State College Of Education, Ilesa	333,489,890.99
	Fees - Osun State College Of Education, Ila-Orangun	308,759,455.00
	Fees - Osun State University, Osogbo	2,984,480,659.69

	Fees - Osun State Health Insurance Scheme	1,657,493.75
	Fees - Lautech Teaching Hospital, Osogbo	409,368,876.28
	Fees - Osun State Property Development Corporation	32,583,424.97
	Fees - Small Town Water Supply And Sanitation Agency	17,729,850.00
	Fees - Osun State Water Corporation	756,506.87
	Fees Sub-Total	6,457,707,301.32
	Sales - Ministry Of Agriculture, Food Security	6,000.00
	Sales - Ministry Of Education	298,500.00
	Sales - Osun State Teaching Service Commission	4,644,000.00
	Sales - Osun State Universal Basic Education Board	480,000.00
	Sales - Board For Technical And Vocational Education	1,200,100.00
	Sales - Osun State Mass Education Agency	2,640,000.00
	Sales - State Bureau Of Statistics	186,000.00
	Sales - Ministry Of Health	2,002,717.76
	Sales - Osun State Hospital Management Board	8,831,072.00
	Sales - Osun New Towns And Growth Areas Development Authority	217,600.00
	Sales - Ministry Of Justice	400,000.00
	Sales - Ministry Of Lands And Physical Planning	3,251,020.00
	Sales - Civil Service Commission	1,660,000.00
	Sales - Local Government Service Commission	405,500.00
	Sales - Osun State Judiciary (High Court Of Justice)	45,000.00
	Sales - Customary Court Of Appeal	525,643.50
	Sales - Ministry Of Environment & Sanitation	1,063,700.00
	Sales - Office Of Forestry, Natural & Mineral Resources	400,000.00
	Sales - Ministry Of Women & Children Affairs	374,000.00
	Sales - Ministry Of Human Resources & Capacity Development	27,000.00
	Sales - Osun State Waste Management Agency	48,000.00
	Sales - Office Of Surveyor General	500,000.00
	Sales - Osun State Primary Health Care Development Board	814,000.00

	Sales - Ministry Of Rural Development And Community Affairs	910,000.00
	Sales - Ministry Of Local Governments And Chieftaincy Affairs	230,400.00
	Sales - Osun State Agricultural Development Corporation	1,562,470.00
	Sales - Osun Micro Credit Agency	2,056,592.00
	Sales - Osun State College Of Technology, Esa-Oke	6,993,000.00
	Sales - Osun State Polytechnic, Iree	52,425,066.00
	Sales - Osun State College Of Education, Ilesa	7,089,866.00
	Sales - Osun State College Of Education, Ila-Orangun	206,400.00
	Sales - Osun State University, Osogbo	2,589,450.00
	Sales - Osun State Health Insurance Scheme	34,494,181.60
	Sales - Lautech Teaching Hospital, Osogbo	108,322,913.44
	Sales - Osun State Hospitals Management Board	150,000.00
	Sales - Osun State Property Development Corporation	625,800.00
	Sales - The Judiciary (High Court Of Justice)	1,876,500.00
	Sales - Small Town Water Supply And Sanitation Agency	866,000.00
	Sales - Osun State Water Corporation	2,372,900.00
	Sales Sub-Total	252,791,392.30
	Earnings - Ministry Of Agriculture, Food Security	1,438,000.00
	Earnings - Office Of Water Resources, Rural And Community Affairs	500,000.00
	Earnings - Office Of The Accountant - General	1,659,412.42
	Earnings - Osun State Hospital Management Board	18,281,362.00
	Earnings - Ministry Of Justice	5,425,406.94
	Earnings - Ministry Of Works	5,345,750.00
	Earnings - Osun State Judiciary (High Court Of Justice)	25,970,060.00
	Earnings - Ministry Of Environment & Sanitation	1,110,000.00

	Earnings - Ministry Of Home Affairs	45,000.00
	Earnings - Osun State Waste Management Agency	1,089,650.00
	Earnings - Ministry Of Innovation, Science And Technology	50,000.00
	Earnings - Office Of Surveyor General	557,145.82
	Earnings - Osun State Tourism Board	9,923,200.83
	Earnings - Public Procurement Agency	600,000.00
	Earnings - Osun State Agricultural Development Corporation	984,000.00
	Earnings - Ministry Of Education	36,520,200.00
	Earnings - Osun State College Of Education, Ilesa	42,688,939.49
	Earnings - Osun State College Of Education, Ila-Orangun	4,356,850.00
	Earnings - Osun State University, Osogbo	31,454,828.75
	Earnings - Osun State Health Insurance Scheme	1,240,260,340.81
	Earnings - Lautech Teaching Hospital, Osogbo	181,107,130.00
	Earnings - Osun State Property Development Corporation	1,608,350.00
	Earnings - Osun State Broadcasting Corporation	168,104,989.90
	Earnings - Small Town Water Supply And Sanitation Agency	166,000.00
	Earnings - Osun State Water Corporation	94,920,956.00
	Earnings - Ministry Of Regional Integration (Housing Loan Board)	7,924,355.94
	Earnings - Teachers Establishment And Pensions Office (Housing Loan Board)	1,364,494.54
	Earnings - Office Of The Accountant-General (Vehicle Loan)	26,359,741.23
	Earnings Sub-Total	1,909,816,164.67
	Rent On Govt. Property - Ministry Of Empowerment And Youth Engagement	10,500.00
	Rent On Govt. Property - Ministry Of Agriculture, Food Security	6,924,500.00
	Rent On Govt. Property - Ministry Of Local Governments And Chieftaincy Affairs	50,000.00
	Rent On Govt. Property - Osun State Universal Basic Education Board	1,020,000.00

	Rent On Govt. Property - Board For Technical And Vocational Education	110,000.00
	Rent On Govt. Property - Osun New Towns And Growth Areas Development Authority	5,673,466.87
	Rent On Govt. Property - Ministry Of Commerce, Industry, Cooperatives And Empowerment	2,338,975.97
	Rent On Govt. Property - Ministry Of Lands And Physical Planning	18,528,067.55
	Rent On Govt. Property - Local Government Service Commission	314,000.00
	Rent On Govt. Property - Ministry Of Information And Strategy	50,000.00
	Rent On Govt. Property - Ministry Of Women & Children Affairs	175,000.00
	Rent On Govt. Property - Osun State Sports Council	519,890.00
	Rent On Govt. Property - Ministry Of Human Resources & Capacity Development	395,000.00
	Rent On Govt. Property - Osun State Waste Management Agency	700,157.31
	Rent On Govt. Property - Osun Road Maintenance Agency	645,000.00
	Rent On Govt. Buildings - Ministry Of Human Resources & Capacity Building	1,110,000.00
	Rent On Govt. Buildings - Osun State College Of Technology, Esa-Oke	920,000.00
	Rent On Govt. Buildings - Osun State College Of Education, Ila-Orangun	360,000.00
	Rent On Govt. Buildings - Osun State University, Osogbo	17,754,550.00
	Rent On Govt. Buildings - Ministry Of Health	918,804.00
	Rent On Govt. Buildings - Osun State Property Development Corporation	2,798,340.00
	Rent on Govt. Property Sub-Total	61,316,251.70
	Rent On Land And Others - Osun State College Of Education, Ilesa	2,323,750.00
	Rent On Land And Others - Osun State Property Development Corporation	2,517,900.00
	Rent On Land And Others Sub-Total	4,841,650.00
	Investment Income - Office of the Accountant-General	135,260,586.00
	Investment Income - Ministry Of Education	2,328,600.00

	Investment Income - Osun State College Of Education, Ilesa	623,805.00
	Investment Income Sub-Total	138,212,991.00
	Interest Earned - Office of the Accountant-General	7,796.51
	Interest Earned - Office Of The Governor	1,184,985.51
	Interest Earned - Osun State House Of Assembly	20,687.67
	Interest Earned - Osun State Agricultural Development Corporation	1,068,099.30
	Interest Earned - Osun Micro Credit Agency	5,144,680.73
	Interest Earned - Ministry Of Rural Development And Community Affairs	1,001,212.00
	Interest Earned - Rural Water & Environmental Sanitation Agency	33,000.00
	Interest Earned Sub-Total	8,460,461.72
	Reimbursement - Office Of The Auditor General (Local Governments)	24,990,000.00
	Total Exchange Revenue	8,858,136,212.71
	Non-Exchange Revenue	81,831,798,554.82
	Exchange Revenue	8,858,136,212.71
	Total Revenue	90,689,934,767.53
6a	BREAKDOWN OF TOTAL REVENUE INTO FEDERAL ALLOCATION REVENUE, IGR AND CAPITAL RECEIPTS (Cash Flow)	
	Federal Allocation	
	Retainable Revenue	-
	Non-Retainable Revenue (TSA)	54,101,661,068.62
	Cash FAAC Allocation for the year 2021 A	54,101,661,068.62
	Internally Generated Revenue:	
	Retainable Revenue	8,218,387,132.20

	Non-Retainable Revenue (TSA)	13,637,005,430.41
	Total IGR B	21,855,392,562.61
	Capital Receipts:	
	Retainable Revenue	-
	Non-Retainable Revenue (TSA)	9,365,609,095.80
	Total Capital Receipts C	9,365,609,095.80
	Aids and Grants	
	State Fiscal Transparency Accountability for Results (SFTAS)	1,834,706,200.00
	Receipt from OYO STATE	1,000,000,000.00
	CBN Bridge Finance	3,007,180,457.14
	Total Aids and Grants D	5,841,886,657.14
	Total Revenue: A+B+C+D	91,164,549,384.17
	Analysis of Total Revenue:	
	<u>Non-Retainable Revenue (TSA)</u>	
	Cash Internally Generated Revenue	13,637,005,430.41
	Cash FAAC Allocation	54,101,661,068.62
	Capital Receipts	5,841,886,657.14
		73,580,553,156.17
	<u>Retainable Revenue (Non-TSA)</u>	
	Tertiary Institutions/Corporation/Parastatals	8,218,387,132.20
	Aids and Grants	9,365,609,095.80
		17,583,996,228.00
	TSA and Non-TSA Revenue	91,164,549,384.17

30	INVENTORIES		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Opening Balance	7,475,936,273.59	6,340,975,336.49
	Addition in the Year	479,927,471.26	1,134,960,937.10
	Utilized Inventory	(18,333,600.00)	
	Carrying Amount	7,937,530,144.85	7,475,936,273.59
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Engineering Stores	8,450,000.00	65,631,773.43
	Industrial & Chemical Stores	19,003,070.00	137,659,250.00
	Fuel & Lubricants	-	1,656,000.00
	Agricultural Inputs	51,876,529.20	46,136,928.80
	Scholastic Materials	32,158,900.00	45,007,813.56
	Stationeries Stores	41,265,840.00	436,000.00
	Printed Materials	69,913,719.00	17,758,400.00
	Stamps	66,751,410.78	-
	Computer/Information Technology Store	22,355,040.00	747,067.50
	Equipment Store	92,958,179.08	178,507,750.33
	Project Store (Ippis, Gifmis, Ipsas, E.T.C.)	-	491,659,264.71
	Electrical/Electronic Store	30,930,000.00	6,321,655.00
	Furniture Store	23,465,570.00	66,925,692.69
	Plant/Equipment Spare Store	-	21,797,478.25
	Uniform Store	1,444,600.00	-
	Other Stock	19,354,613.20	54,715,862.83
		479,927,471.26	1,134,960,937.10

Inventories are items, goods and materials held for resale, production or utilization.

31a	RECEIVABLES		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Federal Account Allocation	5,013,491,090.33	4,122,130,908.37
	Investment Income	5,672,782.55	6,803,875.89
	Sales of Drugs (OSHIA)	14,900,213.12	
	Tuition Fees (UNIOSUN)	239,968,623.00	239,968,623.00
		5,274,032,709.00	4,368,903,407.26

These are earned revenues, demand notices and staff related advances not yet

collected at year end.

31b	RECEIVABLES		
		31ST DEC. 2021	31ST DEC. 2020
		N	N
	Exchange	254,868,836.12	239,968,623.00
	Non-Exchange	5,019,163,872.88	4,128,934,784.26
		5,274,032,709.00	4,368,903,407.26

32	CASH AND BANK BALANCES		
		31ST DEC. 2021	31ST DEC. 2020
		N	N
	Headquarter Balances	5,421,083,904.16	11,458,104,488.61
	Covid-19		1,038,021,801.46
	Tranche 1 Bond Proceeds	9,853,250.90	9,853,250.90
	Sukuk Bond	6,409,562.63	6,409,615.91
	Special Account (LAUTECH)	8,785,507.46	108,785,501.46
	MDAs	4,085,719,588.07	2,302,355,577.03
	IGR (Parastatals, Corporations and Tertiary Institutions)	738,495,309.27	898,287,484.77
	Special Project	3,359,378,948.17	6,840,681,485.40
	Housing And Vehicle Refurbishing	286,048,375.44	272,128,265.74
		13,915,774,446.10	22,934,627,471.28

Cash represents demand deposits. Cash equivalents are highly liquid investments that are convertible to known amount of cash and with insignificant risk of change in value and that has short maturity period usually 90days from date of origination. There were no cash equivalents at year end.

33	PREPAYMENTS		
		31ST DEC. 2021	31ST DEC. 2020
		N	N
	Rental Prepayments	166,666.67	366,666.67
	Prepayments Consumed during the Year	-	(200,000.00)
		166,666.67	166,666.67
	Prepayments are advance payment and mobilization to contractors and supplies of services. Rental prepayments are rent payments which will lapse in Year 2022.		

34. PROPERTY, PLANT AND EQUIPMENT						
2021	LAND AND BUILDING	PLANT AND MACHINERY	FIXED ASSETS	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
	₦	₦	₦	₦	₦	₦
Year 2021 Opening Balance	27,213,240,792.00	413,835,032.17	3,514,196,381.61	1,394,303,975.55	2,124,359,267.11	34,659,935,448.43
Addition	5,475,493,502.91	232,683,653.74	1,081,194,649.92	247,861,483.61	721,945,855.98	7,759,179,146.16
Reclassification						-
Retirement						-
Depreciation	(588,143,446.03)	(67,233,514.71)	#####	(391,849,348.88)	(546,141,551.14)	(2,674,887,453.69)
Year 2021 Carrying Balance	32,100,590,848.88	579,285,171.20	3,513,871,438.59	1,250,316,110.28	2,300,163,571.96	39,744,227,140.90
2020	LAND AND BUILDING	PLANT AND MACHINERY	FIXED ASSETS	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
	₦	₦	₦	₦	₦	₦
Year 2020 Opening Balance	23,101,687,532.21	415,536,298.75	2,933,027,727.41	1,432,563,971.09	2,354,597,965.13	30,237,413,494.59
Addition	4,652,528,611.72	51,064,830.00	1,768,646,020.23	318,950,010.12	264,126,906.77	7,055,316,378.84
Reclassification	-	-	-	-	-	-
Retirement	-	-	-	-	-	-
Depreciation	(540,975,351.93)	(52,766,096.58)	#####	(357,210,005.66)	(494,365,604.79)	(2,632,794,425.00)
Year 2020 Carrying Balance	27,213,240,792.00	413,835,032.17	3,514,196,381.61	1,394,303,975.55	2,124,359,267.11	34,659,935,448.43

Property, plant and equipment are tangible assets held for use in the production or delivery of goods and services, for rental to others or for administrative purposes and that are expected to be used for more than one financial period.

Included in land are parcels of land purchased for right of way, road constructions and building of schools. Building are structures used for administrative purposes, teaching facilities, housing facilities, market and commercial purposes. Furniture and fittings include furnishings, desks, chairs, tables etc. Road infrastructure are roads constructed or rehabilitated including street lights, roads signs and other related infrastructure to facilitate mobility of human, goods and services. Water infrastructure are water related constructions including dams, canals, boreholes, storage tanks etc. Vehicles include motor and tricycles, trucks, vans, ambulances used for conveyance of persons and goods in the course of government operations. Equipment consists of office equipment, electrical and mechanical appliances used in government operations. Plant and machinery includes movable and immovable power plants and other heavy-duty installations.

Land is not depreciated except in quarry and land fill. Building is depreciated over its useful life usually within 50years. Furniture and fittings are depreciated over its useful life and within the range of 6-7years. Road infrastructure is depreciated over its useful life usually within 20years. Water infrastructure is depreciated over its useful life usually within 20years. Vehicles are depreciated over its useful life, usually 4years. Office Equipment has a useful life of 6-7years, IT Equipment has a useful life of 3years whilst Plant and Machinery is depreciated over 10years. These depreciation periods are in line with the policy contained in section 2.2(f) of the accounting policy.

The residual value and the useful life of an asset are reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.

The State is in the process of measuring and recognizing legacy assets. Logistics are in place to bring them into the books as soon as practicable.

35	INFRASTRUCTURE		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Opening Balance	72,835,117,975.60	57,030,372,039.26
	Addition in the Year	13,522,002,801.81	15,804,745,936.34
		86,357,120,777.41	72,835,117,975.60

	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Rails	-	11,855,319,467.91
Roads & Bridges	8,787,439,027.75	67,835,820.00
Airports	-	
Harbours/ Sea Ports/Jetties	-	
Zoos, Parks & Reserves	-	
Security Installations/ Equipment	1,354,902.93	

Electricity Transmission Network	194,342,815.40	
Water Distribution Network	4,391,111,215.73	
Sewage/ Drainage Network	68,430,000.00	
Dams	-	
Specialised Research Equipment (E.G. Satellite)	-	102,323,463.96
Monuments	22,704,640.00	3,480,819,804.27
Heritage Assets	-	238,065,555.20
Boreholes & Other Water Facilities	54,760,200.00	17,310,250.00
Waste Disposal Equipment	1,860,000.00	43,071,575.00
	13,522,002,801.81	15,804,745,936.34

Service Concession Assets are assets owned by the State Government, but being operated by private business entities due to the existence of a Public Private Partnership arrangement.

36

INVESTMENT PROPERTY		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Osun State Polytechnic, Iree	29,098,467.65	29,098,467.65
Ministry of Agriculture and Food Security	3,795,000.00	
Osun West Educational District Office, Ikire (District Office)		
LAUTECH Teaching Hospital, Osogbo	6,150,170.00	6,150,170.00
Osun State Waste Management Agency	10,350,000.00	10,350,000.00
	49,393,637.65	45,598,637.65

	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	45,598,637.65	45,733,637.65
Addition in the Year	3,795,000.00	-
Transitional Adjustment		(135,000.00)
	49,393,637.65	45,598,637.65

Investment property is a land or a building (or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes; or sale in the ordinary course of operations.

37	INTANGIBLE ASSETS		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Opening Balance	284,186,884.62	328,142,875.74
	Addition in the Year	1,363,007,568.71	50,772,970.42
	Armortisation Charge for the Year	(435,480,853.72)	(94,728,961.54)
	Carrying Amount	1,211,713,599.61	284,186,884.62

Intangible assets are identifiable non-monetary assets without physical substance.

38	ADMINISTRATIVE ADVANCES		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Opening Balance	21,500,000.00	20,000,000.00
	Addition in the Year		1,500,000.00
	Armortisation Charge for the Year		
	Carrying Amount	21,500,000.00	21,500,000.00

39

LOCAL INVESTMENTS		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Investment in Quoted Companies	1,737,102,115.08	1,688,651,240.01
Investment in GBEs	3,318,904,680.04	1,280,782,217.89
Other Investments	909,044,821.16	1,977,211,405.58
	5,965,051,616.28	4,946,644,863.48

	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	4,946,644,863.48	4,265,843,048.96
Addition in the Year	969,955,877.73	429,184,923.33
Revaluation Surplus for the Year	48,450,875.07	251,616,891.19
Carrying Amount	5,965,051,616.28	4,946,644,863.48

Local investments are growth investments entered into by the State Government in local companies/businesses that align with the State's priorities.

40

LOCAL LOANS		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Agricultural Internal Supervised Loan	23,852,064.74	24,643,461.76
Micro Credit Loan	47,318,556.05	47,339,033.13
	71,170,620.79	71,982,494.89

	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	71,982,494.89	199,183,269.84
New Loans Granted in the Year	59,050,000.00	64,488,694.65
Opening Balance Adjustments		(143,017,713.46)
Principal Repayments in the Year	(59,861,874.10)	(48,671,756.14)
Carrying Amount		

	71,170,620.79	71,982,494.89
--	----------------------	----------------------

Local loans are soft loans given to individuals and small businesses by the State Government for the enhancement of the agricultural sector and SMEs.

41

SERVICE CONCESSION ASSETS		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	3,476,853,428.96	3,476,853,428.96
Addition in the Year	-	-
	3,476,853,428.96	3,476,853,428.96

Service Concession Assets are assets owned by the State Government, but being operated by private business entities due to the existence of a Public Private Partnership arrangement.

42

SPECIALIZED ASSETS		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	787,142,907.02	477,197,692.99
Addition in the Year	1,066,147,187.71	309,945,214.03
	1,853,290,094.73	787,142,907.02

	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Biological Assets	956,513,443.65	176,601,734.18
Laboratory Medical Equipments	109,633,744.06	133,343,479.85
	1,066,147,187.71	309,945,214.03

These are peculiar assets with features useful for Medical and Laboratory Operations.

43

ASSETS UNDER CONSTRUCTION		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	1,987,122,867.16	1,304,237,235.04
Addition in the Year	268,974,850.00	682,885,632.12
	2,256,097,717.16	1,987,122,867.16

44

DEPOSITS		
	31ST DEC. 2021	31ST DEC. 2020
	₦	₦
Opening Balance	31,115,273.26	27,993,295.46
Addition in the Year	22,525,952.34	3,121,977.80
Mature / Withdrawn Deposits	(2,646,350.93)	
	50,994,874.67	31,115,273.26

Deposits include court deposits, administrative deposits on sme loans, etc.

45	LIABILITIES AND ACCRUALS		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Liabilities on Capital Projects	10,605,497,736.36	10,738,131,771.03
	Liabilities on Utilities and Other Overheads	98,001,266.04	468,360,451.01
	Liabilities on FAAC Deduction:		
	Foreign Loans	207,012,696.75	185,634,325.40
	Federal Government Intervention Fund	100,000,000.00	100,000,000.00
	Bond Issuance Programme		
	Budget Support	154,908,117.75	
	Salary Bailout	232,776,379.52	
	Payment for FAAC Software		776,799.59
	Restructured Loans	1,142,270,944.01	1,142,270,944.01
		12,540,467,140.43	12,635,174,291.04

Liabilities and accruals consist of unpaid bills to third parties.

Liabilities on capital projects represent indebtedness to contractors on projects on which certificate of values (CVs) have been raised. The CVs are raised on projects covering road infrastructure, water infrastructure, buildings etc. Utility and other overheads accruals are unpaid bills on water, electricity and other overhead items. Liabilities on FAAC Deductions represent deductions on December FAAC which were not deducted until FAAC Allocations were received in January, 2021

46	EMPLOYEE BENEFITS ACCRUALS		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Salaries and Wages	19,212,024,528.01	19,455,012,436.26
	Allowances	15,817,338.92	29,731,300.66
	Gratuity, Pension and Contributory Pension	4,587,752,881.08	4,743,880,151.97
		23,815,594,748.01	24,228,623,888.89

These are accrued short and long term benefits of staffs in the employment of the State Government.

47	FINANCIAL LIABILITIES		
		31ST DEC. 2021	31ST DEC. 2020
		₦	₦
	Non-Current		
	Budget Support	17,395,691,512.61	16,275,787,974.38
	External Liabilities	19,523,803,008.13	18,084,776,762.03
	ECA Facility	9,095,741,209.56	9,095,741,209.56
	Infrastructure Loans	4,711,294,083.45	4,667,915,898.87
	Contract Finance	3,741,775,077.37	3,788,582,629.65
	Finance Lease	1,089,319,680.07	1,912,795,351.01
		55,557,624,571.19	53,825,599,825.50

These are short and long term loan facilities and financial instruments secured by the State Government to fast track socio economic development.



OFFICE OF THE AUDITOR-GENERAL (STATE)

OSOGBO, OSUN STATE OF NIGERIA.

TELEGRAMS: OSAUDIT OSOGBO TELEPHONE: PRIVATE MAIL BAG NO.4429

E-mail Address: - auditorgeneral4state@yahoo.co.uk

Further communications should be
Addressed to the Auditor-General
Quoting.

Our Ref. No. AOG/2021/FS/104/VOL 1/61

13th April, 2022

The Accountant General,
Office of the Accountant General
Abere, Osogbo

AUDIT OBSERVATIONS AND COMMENTS ON THE FINANCIAL STATEMENTS OF STATE (OSUN STATE) FOR THE YEAR ENDED 31ST DECEMBER 2021

The state Financial Statements for the year ended 31st December, 2021 got to my office on Thursday 31st of March, 2021 and it was audited based on the information made available. The Financial statements submitted were:

- a) Statement of Financial Position
- b) Statement of Financial Performance
- c) Statements of Changes in Net Assets/Equities
- d) Statement of Cash Flow
- e) Statement of Comparison of Budget and Actual (Cash Basis)

f) Notes to the Account

The following are my observations and comments which needs your prompt response and attention:

2. STATEMENT OF FINANCIAL POSITION

a. Audit requires a documentary evidence of House of Assembly's approval of the amendment made on the state Appropriation law 2021.

b. INVENTORIES:

- i. Items of inventories utilized during financial year were not made available for Audit scrutiny.
- ii. For Transparency and Accountability, most especially for Audit purpose; inventories item according to MDA's should be made available for Audit trail.

c. RECEIVABLES:

- i. Tuition Fees (UNIOSUN): The sums of ₦239,968,623 stood outstanding as receivables at year 2019 financial year and still remain receivables in both 2020 and 2021 accounting year. Audit request detailed analysis of what makes up this receivables amount and effort made so far to retrieve this fund. Kindly furnish this office with the detail.
- ii. Federal Account Allocation Committee (FAAC): The amount computed under this account area stood at 5,013,491,090.33 (representing Statutory Allocation, VAT and Exchange Gain difference) however from the December 2021 voucher for FAAC distribution, the ecological fund to the tune of ₦82,620,154.16 was not included. Kindly explain why this fund was omitted.

d. CASH AND CASH EQUIVALENT:

- i. Audit discovered that the copy of financial statement presented in hard copy is different from that of soft copy thereby giving Audit conflicting figures to work with. Please explain what brings the disparities.
- ii. The total amount recorded for cash and cash equivalent in the financial statement stood at ₦13,915,774,446.10 while that of the notes had 8,764,476,103.85. Which of these figure is valid?
- iii. Some accounts of government were found to be dormant despite TSA being in operation. You are required to give status of all government account to ascertain the true state of account in operation. Also several accounts were found with TSA

scattered in several banks. The Audit request in details how the TSA (Revenue and Expenditure) platform works and reason/s for having several TSA's accounts.

- iv. Covid-19 Response, Tranche 1 Bond Proceed and Sukuk Bond had balances in each of the dedicated accounts. These balances were not part of the ones computed as cash and cash equivalent balances. Kindly integrate this into the government balances for full disclosure.
- v. Audit discovered that Access Bank Account number 0695252610 with account name OSSG ESCROW had no balance in the certified bank balance presented to audit. Kindly make available the certified bank balance of this account and also integrate the balance into cash and bank balances.

e. **PROPERTY PLANT AND EQUIPMENT:**

Non availability of Asset register of the MDA's has denied Audit to ascertain the validity of the addition in the year. Kindly make available the Asset register for proper Audit scrutiny.

f. **INFRASTRUCTURE:**

- i. This account area of the financial statement had no accounting policy guiding its recognition and measurement. Kindly explain why and give details on its recognition and measurement.
- ii. Narration under this account area is the same with that of service concession. This pose a challenge of validity of the Asset classified under this head. Kindly provide documents to validate the classification into this account area for all the listed Asset.

g. **INTANGIBLE ASSET:**

Details of Asset acquired in the accounting year should be provided to assist Audit opinion and enhance Transparency.

h. **ADMINISTRATIVE ADVANCES**

Audit could not find accounting policy guiding this accounting head and explanation is required on this classification of account.

i. **LOCAL INVESTMENT:**

- I. Details of Revaluation processes and evidences to back the surplus should be made available to Audit
- II. Details of what make up other investment should be made available
- III. Specific Quoted companies investment and value of investment should be made available to Audit

j. **SERVICE CONCESSION ASSETS**

Legal Agreement and mode of operation of all concession Assets should be made available to audit.

k. **LAIBILITIES AND ACCRUAL:**

Schedule of liabilities on capital projects should be made available.

1. **FINANCIAL LIABILITIES**

- i. Explanation to the note referred that it has both the short and long term loan. Effort should be made to classify correctly by making sure current and noncurrent liabilities are classified correctly.
- ii. Details of reconciled figures with the DMO's are required. This is important because of the discrepancies discovered as shown in the table below. Audit could not validate the true figures of the listed public debt. Kindly provide all available documents to assist the Audit.

S/N	DETAILS	2020 FIGURE	DEDUCTION FROM SOURCE IN THE FINANCIAL YEAR	EXPECTED BALANCE	AMOUNT COMPUTED
		₦	₦	₦	₦
1	BAIL OUT	23,246,760,061.91	1,396,658,277.12	21,850,101,784.79	22,642,385,008.34
2	RESTRUCTURED BANK LOAN	79,791,776,728.64	13,707,251,328.12	66,084,525,400.52	77,235,186,714.85
3	EXTERNAL LOAN	21,887,664,190.56	2,145,016,677.68	19,742,647,512.88	20,159,664,190.56

- iii. Debt schedule for all existing state debt should be made available.

3. **STATEMENT OF FINANCIAL PERFORMANCE**

- a. **Statement of Accounting Policy Under note 3.5 (f):** It was categorically stated that **ALL PSE/MDA's** are to prepare their individual GPFS at the end of each financial year. These

individual GPFS were not produced for auditing. Please produce them immediately.

- b. **Hyper-linking of relative notes to their schedules:** In the previous year audit, it was noted that notes to the account should be linked to their relative schedules or line item in the financial statement using the hyper-link resources of the excel package. This was not done in the account presented for the year of account despite previous request from this office. This is not in line with principle of probity and accountability. Kindly note this and effect it immediately.

c. **Revenue**

- **Revenue accrued for year 2021 (note 5):** Detail schedule of these items was not attached to the notes hence, how those revenue actually accrued are not determinable by the audit. Please produce the schedule as applicable.
- **Non-Oil Excess Account:** Amount received in May on this line item was not disclosed. You are required to account for the missing sum of ₦125,063,724.52 unaccounted for and give reason for its omission.
- **Excess Bank charges, Ecology fund and total allocation for the month of May:**
 - i. Amount reported in May as excess bank charges for the month (68,642,782.34) is higher than the figure as quoted on the FAC distribution sheet (3,518,779.93) by ₦72,812.12. kindly explain the difference
 - ii. Amount reported in May as ecology fund for the month (68,642,782.34) is less than the figure quoted on FAAC distribution sheet (72,106,085.64) by ₦3,463,303.30. Kindly explain the difference.
 - iii. Also Total Allocation for the month was ₦4,320,249,086.85 less than the quoted amount on FAAC distribution table of (₦4,448,703,302.56) by ₦128,454,215.71. Kindly explain the difference.
 - iv.

- d. **Depreciation /Amortization schedule:** The schedule of property, Plant and equipment was not prepared; Audit could not validate the sum of ₦3,110,368,307.41 expended on depreciation and amortization charge for the year. While note 29 only itemized the amount charged without any reference to the detailed depreciation/amortization scheduled. It becomes impossible to confirm the figures. A well prepared depreciation schedule is required to forecast the value of the Assets in the Statement of Financial Position. The depreciation expenses to be charged in the statement of the financial performance and the capital expenditure amount to be included in the statement of cash flow. The schedule (schedule of

PPE) will naturally list the different classes of Assets, the type of depreciation method used and the cumulative depreciation incurred at various points in time. Kindly produce the schedule for auditing.

e. Financial Charges: Audit discovered that the figure in note 18 had ₦20,481,394,820.58 while the amount computed in the statement of financial performance was ₦118,888,915.30. Kindly explain.

The table below show some discrepancies discovered between the amount computed in the statement of performance and figures in the notes attached to the account. Kindly validate the correct figure to be computed and refer back to this office.

DETAILS	STATEMENT FIGURE	NOTES FIGURE
Non-Exchange Transaction	80,749,178,400.66	81,749,178,400.66
Exchange Transaction	9,858,136,212.71	8,858,136,212.71
Utilities	838,030,070.13	838,019,078.13
Financial charges	118,888,915.70	20,481,394,820.58
Transfer payment	1,412,125.40	1,423,125.40

f. Other documents to be provided

1. Source documents from FAAC in relation to revenue distribution should be produced

4 **STATEMENTS OF CHANGES IN NET ASSET/EQUITY**

Net Increase in transitional adjustments: Kindly provide a breakdown of the gains and/or losses that resulted in the figure ₦500,976,970.13 reported as the Net increase in the transitional adjustment and a breakdown for the corresponding figure reported for the previous year of ₦3,429,917,692.07

5. **STATEMENT OF CASH FLOWS**

- a. **Increase/ (Decrease) in Liabilities and Accruals:** - The audit discovered discrepancy in the figure included as the changes in the liabilities and Accruals. The sum of ₦333,788,474.83 was reported in the statement of cash flow while the actual change from the face of Statement of Financial Position was ₦5,347,702,483.09 as shown in the table below. This led to understatement of ₦5,013,914,008.26 (5,347,702,483.09 – 333,788,474.83). The audit needs to know how you arrive at changes of ₦333,788,474.83 reported in the statement of cash flow.

Table 1- Statement of Financial Position (extract)

	2021	2020	Change
	₦	₦	₦
Total Current Liabilities	12,539,778,640.43	17,887,481,123.52	(5,347,702,483.09)

- b. **Long Term Borrowings/Total Non-Current Liabilities:** - In accordance with IPSAS 2 Statement of cash flow section 26, the separate disclosure of cash flow arising from financing activities is important, because it is useful in predicting claims on future cash flows by providers of capital to the entity. Example of cash flows arising from financing activities are: (a) Cash proceeds from issuing debentures, loan notes, bonds, mortgage and other short or long – term borrowings; (b) cash repayment of amount borrowed; and (c) cash payment by a lease for the reduction of outstanding liability relating to a finance lease.

- i. **Financial Liabilities:** - The audit scrutiny of statement of cash flows from financing activities revealed that change in financial liabilities was not the same as the figure in the statement of financial positions for the financial year 2021. The change in long term borrowing reported in the statement of cash flows is contrary with the figures estimated through the statement of financial position and the notes to the accounts. While the Statement of Cash Flows reported ₦801,863,650.12, the statement of financial position shows the sum of ₦6,984,331,578.17 and the notes 47 reveal the change of the sum of ₦1,732,024,745.69. From the table 3 below Audit discovered the sum of ₦6,984,331,578.17 as the changes in Financial Liabilities.

Table 2- Statement of Financial Position (extract)

	2021	2020	Change
	₦	₦	₦
Financial Liabilities	55,557,624,571.19	48,573,292,993.02	6,984,331,578.17

Also, the Note 47 to the Financial Statement shows **₦1,732,024,745.69 (55,557,624,571.19 – 53,825,599,825.50)** as the change in the financial liabilities. In a close examination of Note 47, the Audit discovered that figure reported as financial liabilities as at 31st Dec. 2020 was at the variance with the figure presented in the Statement of Financial Position. The resultant effects was that two different figures were readily available as the change in Financial Liabilities. The Audit needs clarification on the figure reported as Long Term Borrowings.

Table 3- Note 47 - Financial Liabilities

FINANCIAL LIABILITIES	31ST DEC. 2021	31ST DEC. 2020	Change
	₦	₦	₦
Non-Current			
Budget Support	17,395,691,512.61	16,275,787,974.38	
External Liabilities	19,523,803,008.13	18,084,776,762.03	
ECA Facility	9,095,741,209.56	9,095,741,209.56	
Infrastructure Loans	4,711,294,083.45	4,667,915,898.87	
Contract Finance	3,741,775,077.37	3,788,582,629.65	
Finance Lease	1,089,319,680.07	1,912,795,351.01	
	55,557,624,571.19	53,825,599,825.50	1,732,024,745.69


Increase /(Decrease) in liabilities and Accrual: The table below show the wrong computed figure

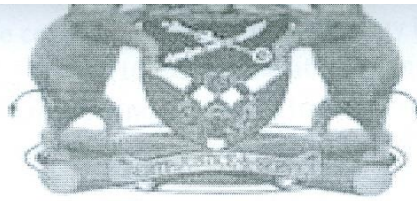
DETAILS	STATEMENT FIGURE	CORRECT FIGURE
Increase /(Decrease) in liabilities and Accrual	(333,788,474.83)	(95,395,050.61)
Local Investment	969,955,877.73	1,018,406,752.80

Financing Activities: Audit discovered that no figure was reported has principal loan repayment for the whole year. Kindly explain with proper documents

6. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
(PREPARED ON CASH BASIS)

The approved revised 2021 budget of the state was yet to be made available to Audit to allow proper comparison of the presented figures and for this reason, proper Audit scrutiny could not be done on this statement


Folorunso Adesina
Auditor-General,
State of Osun



**OFFICE OF THE ACCOUNTANT-GENERAL
PRIVATE MAIL BAG 4430
OSOGBO, STATE OF OSUN, NIGERIA.**

Your Ref. No. AOG/2021/FS/104/VOL 1/61

All letters should be addressed to the
Accountant – General quoting

21st April, 2022

Our Ref. No. AGC 73/223

The Auditor-General,
Office of the Auditor General for State,
Abera, Osogbo.

*D(EI+FA)
fyfn actions plz
12/24*

RE: AUDIT OBSERVATIONS AND COMMENTS ON THE FINANCIAL STATEMENTS OF STATE (OSUN STATE) FOR THE YEAR ENDED 31ST DECEMBER, 2021

I wish to refer to your letter of 13th April, 2022 with Reference Number AOG/2021/ FS/104/VOL 1/61 on the above subject matter and hereby forward my explanations, together with Annexes where required, on each of your observations and comments on the General Purpose Financial Statements:

2. STATEMENT OF FINANCIAL POSITION

- a. Documentary evidence of the House of Assembly's approval of the amendments made on the state Appropriation law 2021 as documented and presented by the Ministry of Economic Planning and Budget is hereby attached. (See **Annexe 1**).
- b. **Inventories**
 - i. Items of inventories utilized during the financial year is hereby attached. (See **Annexe 2**).
 - ii. Inventory items according to MDAs is hereby made available and attached. (See **Annexe 2**).
- c. **Receivables**
 - i. Financial data submitted by UNIOSUN revealed that the sum of N239,968,623.00 that stood as outstanding receivables for UNIOSUN in the years 2019, 2020 and 2021 Accounts is in respect of Tuition Fees. It should be noted that impairment of the said sum will take place three (3) years after its inclusive in the Financial Statement. However, year 2022 Financial Statement will reflect such impairment adjustment.
 - ii. The omission of the sum of N82,620,154.16 for Ecological Fund in the FAAC computation for December 2021 has been noted and corrected accordingly.
- d. **Cash and Cash Equivalent.**

Please note that these balances are already included in the Headquarter Balances. However, it has been extracted and restated in Note 32.

unchanged while the correct version of the hard copy is now being presented.

- ii. The sum of N13,915,774,446.10 is the valid amount for Cash and Cash Equivalents both for the Financial Statements and the Notes to the Financial Statements. Reason for mix up is as stated in d(i) above while appropriate corrections have been made in the Notes to the Accounts.
- iii. The Cash Management Strategy document of the State Government of Osun is hereby attached for a clear understanding of how the TSA platforms (Revenue and Expenditure) works as explained in section 2.41 on pages 19-24. (See **Annexe 3**).
- iv. The observations on Covid-19 Response, Tranche 1 Bond Proceed and Sukuk Bond balances have been noted and appropriate adjustments effected.
- v. The Access Bank Account number 0695252610 with account name OSSG ESCROW was filed in error, as it has no balance in it and does not form part of the Headquarter Balances. It is an IGR Account (sub TSA account).

e. **Property Plant and Equipment:**

The Assets Register for the MDAs is hereby made available. (See **Annexe 4**).

f. **Infrastructure**

- i. The Accounting Policy guiding this account area in the Financial Statement is stated in Note 3.28 (b) under the Statement of Accounting Policies.
- ii. Please note that the Asset Register attached to this letter will clearly show that narration under Infrastructure and Service Concession Assets are not the same. (See **Annexe 4**).

g. **Intangible assets**

The schedule of Assets acquired within the year is hereby attached. (See **Annexe 5**).

h. **Administrative Advances**

The Accounting Policy guiding this account area in the Financial Statement is stated in Note 3.27 under the Statement of Accounting Policies.

i. **Local Investment**

- i. The details of Revaluation processes and evidences to back the surplus is hereby attached. (See **Annexe 6**).
- ii. Details of what make up Other Investment is hereby attached. (See **Annexe 7**)
- ii. A schedule of specific Quoted companies investments and their value is hereby attached. (See **Annexe 6**)

j. **Service Concession Assets**

The amount attributed to Service Concession Assets in the 2021 Financial Statements was a misclassification error as no transaction occurred in that area of the account for the year under report. The Office discovered that overhead items were wrongly classified as Service Concession Assets by Osun Signage, Hoarding and Advertisement Agency, Rural Water and Environmental Sanitation Agency and LAUTECH Teaching Hospital, Osogbo. Necessary adjustments have been made and the figures now reclassified.

k. **Liabilities and Accrual**

The schedule of liabilities on Capital Projects is hereby attached. (See **Annexe 8**).

l. **Financial Liabilities**

- i. Necessary corrections and reclassifications to the current and non-current liabilities have been effected.

Office is hereby attached. (See **Annexe 9**).

- iii. A Summary of an internal Debt Portfolio Profile of the State of Osun for the Year 2021 which includes ECA Facility, Infrastructure Loan, Contract Finance and Finance Lease, is hereby attached. (See **Annexe 10**).

3. STATEMENT OF FINANCIAL PERFORMANCE

- a. **Statement of Accounting Policy Under Note 3.5 (f):** Please note that the requirement of this Accounting Policy is that all PSE/MDAs must prepare individual GPFS at the end of each financial year and submit same to the Office of Accountant-General for the purpose of consolidation.
- b. **Hyper-linking of relative notes to their schedules:** The observation is noted, to be taken into consideration when preparing subsequent Accounts.
- c. **Revenue**
 - **Revenue accrued for year 2021 (Note 5):** The relevant section with the required information on Revenue accrued for year 2021 in the Financial Statements is Note 5.
 - **Non-Oil Excess Account:** The sum of N312,659,311.29 was disclosed as Non-Oil Revenue for the month of May being the addition of two tranches payments of N125,063,724.52 and N187,595,586.77 for the same month.
 - **Excess Bank Charges, Ecology Fund and total allocation for the month of May:**
 - i. The amount of N3,591,592.05 remains as excess bank charges for the month of May as quoted in the summary of FAAC distribution forwarded from Abuja.
 - ii. The amount of N68,642,782.34 remains as Ecology Fund for the month of May as quoted in the summary of FAAC distribution forwarded from Abuja.
 - iii. The amount of N4,320,249,086.85 remains as total allocation for the month as quoted in the summary of FAAC distribution forwarded from Abuja.
- d. **Depreciation/Amortization Schedule:** The relevant section with the required information on Depreciation/Amortization in the Financial Statements are Notes 34 and 46.
- e. **Financial Charges:** The amount of N20,481,394,820.38 in Note 18 is the addition of N118,888,915.30 as Financial Charges and N20,362,505,905.28 as Interest Expense in the Statement of Financial Performance.
- f. Source documents from FAAC in relation to revenue distribution is hereby attached. (See **Annexe 11**)

4. STATEMENTS OF CHANGES IN NET ASSET/EQUITY

Net increase in transitional adjustments: The required information on this area of the account is hereby attached. (See **Annexe 12**)


5. STATEMENT OF CASH FLOWS

- a. **Increase/(Decrease) in Liabilities and Accruals:** : The required information on this area of the account is hereby attached. (See **Annexe 13**)
- b. **Long Term Borrowings/Total Non-Current Liabilities:**
 - i. The clarification required on the changes in Financial Liabilities is hereby attached (See **Annexe 13**).
 - ii. The clarification required on the figure reported as Long-Term Borrowings is hereby attached: (See **Annexe 13**)

6. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (PREPARED ON CASH BASIS)

The approved revised 2021 budget of the State is hereby attached. (see **Annexe 1**)

7. I sincerely thank your Honour.



M. S. Igbaroola
Accountant-General,
State Government of Osun

4.0

DOMESTIC REPORTS

DEPARTMENT OF MINISTERIAL AND NON-MINISTERIAL ACCOUNTS

1. **BUREAU OF GENERAL SERVICES**

a. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Account of the Bureau of General Services were submitted to my Office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

b. **Control over Expenditure:** Control over Expenditure was inadequate as most payments vouchers were not supported with relevant documentary evidence of Judicious spending of fund released to the Agency.

C. **Financial Performance**

S/No.	ITEMS	BUDGET	ACTUAL	VARIANCE
a.	CAPITAL EXPENDITURE	₦870,000,000.00	₦687,039,730.19	₦182,960,269.81
b.	Recurrent Expenditure	₦6,963,586,980.00	₦5,604,811,409.00	₦1,358,775,571.00

i. **Capital Expenditure:** A total sum ₦870,000,000.00 was budgeted as Capital Expenditure while a sum of ₦687,039,730.19 was released and expended leaving a surplus balance of ₦182,960,269.81.

ii. **Recurrent Expenditure:** The period under reference indicated a budgeted recurrent expenditure of ₦6,963,586,980.00 with actual expenditure of ₦5,604,811,409.00 during the period. This brought about a positive variance of ₦1,358,775,571.00

d. **Audit Queries:** The current position of outstanding audit queries is as show below:

MDA	B/F 2017	2018	2019	2020	Query close	Outstanding Queries	2021	Grand Total
Bureau of General Services	39	54	39	NIL	132	NIL	4	4

2. **BUREAU OF PUBLIC SERVICE PENSION**

a. **Submission of the accounts:** The Annual Trial Balance and Memorandum Account of the Bureau of Public Service Pension were submitted to my Office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

b. **Control over Expenditure:** Control over Expenditure was inadequate as most of the

accounting records were not timely updated as required by Audit.

Financial Performance

S/No.	ITEMS	BUDGET	ACTUAL	VARIANCE
a.	CAPITAL EXPENDITURE	NIL	NIL	NIL
b.	Recurrent Expenditure	₦10,928,171,350.00	₦10,896,580,681.05	₦31,590,668.95
c.	Revenue	NIL	NIL	NIL

a. **Recurrent Expenditure**: A sum of **₦10,928,171,350.00** was recurrent expenditure during the period while a sum of **₦10,896,580,681.05** was expended, leaving the surplus balance of **₦31,590,668.95**.

d. **Audit Query**: The current position of outstanding audit queries is as show below:

MDA	B/F 2017	2018	2019	2020	Query close	Outstanding Queries	2021	Grand Total
Bureau of Public Services Pension	NIL	NIL	NIL	NIL	2	NIL	NIL	NIL

3. **DEPUTY GOVERNOR'S OFFICE**

a. **Submission of the Accounts**: The Annual Trial Balance and Memorandum Account of the Deputy Governor's Office were submitted to my Office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

b. **Control over Expenditure**: Control over expenditure was inadequate as most of the accounting records were not timely updated as required by Audit.

d. **Audit Query**: The current position of outstanding audit queries is as show below;

MDA	B/F 2017	2018	2019	2020	Query close	Outstanding Queries	2021	Grand Total
Office of the Deputy Governor	NIL	NIL	2	2	4	NIL	NIL	NIL

4. **BUREAU OF PROTOCOL AND GOVERNMENT HOUSE**

a. **Submission of the Accounts**: The Annual Trial Balance and Memorandum Accounts of the Bureau of Protocol and Government House were submitted to my Office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

b. **Control over Expenditure**: Control over Expenditure was inadequate as most expenditure were not retired with necessary official receipts, bill and invoice as evidence of payment.

c. **Audit Queries**: The current of outstanding audit queries is as show below:

MDA	B/F 2017	2018	2019	2020	Query close	Outstanding Queries	2021	Grand Total
Bureau of Protocol and Government House.	14	32	12	NIL	58	NIL	3	3

**SUMMARY OF 2021 AIR
(PROTOCOL & GOVERNMENT HOUSE)**

S/N	MONTH	DESCRIPTION OF PAYMENT	PV NO	AMOUNT	REMARK
1.	January		-----	1,960,000.00	Unproduced payment voucher
2.	February		-----	34,042,500.00	Unproduced payment voucher
3.	March		-----	20,550,000.00	Unproduced payment voucher
4.	April		-----	10,365,000.00	Unproduced payment voucher
5.	May		-----	14,290,000.00	Unproduced payment voucher
6.	June		-----	4,730,000.00	Unproduced payment voucher
7.	July		-----	9,975,500.00	Unproduced payment voucher
8.	August		-----	39,956,200.00	Unproduced payment voucher
9.	September		-----	39,102,400.00	Unproduced payment voucher
10.	October		-----	22,057,000.00	Unproduced payment voucher
11.	November		-----	25,474,000.00	Unproduced payment voucher
12.	December		-----	47,901,450.00	Unproduced payment voucher
			-----	<u>270,404,050.00</u>	
13.	January	Renovation of block G2 and H1 at Omiyale quarters Oke-Oniti.	PV.14/01/21	1,644,000.00	Expenditure not supported with proper record /accounts
14.	April	Purchases and programing of Motorola DP4800	PV.02/04/21	4,275,000.00	Expenditure not supported with proper record /accounts
15.	April	Repairs/ renovation of office of Special Adviser on Special	PV.05/04/21 PV.09/04/21 PV.11/04/21	5,877,810.00	Expenditure not supported with relevant documentary evidences to substantiate

		Administration, Reconstruction of collapsed wall fence of Government house. Hosting of Hon. Minister for Finance for working visit to the state			the expenditure
16.	May	Purchase of Air conditioners, participation of the state delegates at the partnership economics summit, Hosting of Hon. Minister, Federal Ministry of Environment	PV.19/06/21 PV.07/07/21 PV.07/10/21	5,275,000.00	Expenditure not supported with relevant documentary evidence to justify the payment.
17.	November	Purchases of stationery and other consumable items	PV.15/11/21	1,786,300.00	Expenditure not supported with proper record /accounts
18.	November	Partitioning of the office of First lady and Restroom	PV.05/11/21	3,669,000.00	Expenditure not supported with proper record /accounts
19.		Entertainment of Guests, special jumat services, Banquet lunch as well as thanksgiving in respect of 30 years anniversary of creation of Osun State		5,000,000.00	Expenditure not supported with relevant documentary evidence to justify the payment
20.	September	Financial support for Late (Dr.) Emmanuel Adesanya Abiodun father of Ogun State Governor	PV.26/09/21	10,500,000.00	Expenditure not supported with proper record /accounts
21.	October	Decoration and beautification of Government House	PV.21/10/21	3,200,500.00	Expenditure not supported with relevant documentary evidences to substantiate the expenditure
22.	December	Fund approved for Governor Award 2021 to Mr. Governor by DAAR Communication	PV.14/12/21	28,000,000.00	Expenditure not supported with relevant documentary evidences to justify the expenses.

5. MINISTRY OF COMMERCE, COOPERATIVES AND EMPOWERMENT

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Commerce, Cooperative and Empowerment were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Capital Expenditure	136,223,360.00	70,453,800.00	65,769,560.00
b.	Recurrent Expenditure	236,460,400.00	192,500,272.69	42,960,137.31

a. **Capital Expenditure:** A sum of ₦136,223,360.00 was as Capital expenditure budget with only ₦70,453,800.00 expended thus showing a variance of ₦65,769,560.00.

b. **Recurrent Expenditure:** A sum of ₦236,460,400.00 was the recurrent expenditure budgeted while only ₦192,500,272.69 was actually expended, showing a favourable variance of ₦42,960,137.31.

6. MINISTRY OF HUMAN RESOURCES AND CAPACITY BUILDING

- A. SUBMISSION OF ACCOUNTS: - The records of account and Memorandum Accounts of the Ministry of Human Resources and Capacity Building were submitted to my office for auditing as stipulated by extant guidelines and Procedures as contained in the Financial Regulation.
- B. CONTROL OVER EXPENDITURE: - The budgetary estimate for the year under review as far as capital expenditure is concerned remained in fact as nothing was spent.
- C. FINANCIAL PERFORMANCE:-

S/NO		BUDGETED (N)	ACTUAL (N)	VARIANCE (N)
1.	REVENUE	16,500,000.00	7,659,500.00	8,840,500.00
2.	RECURRENT EXPENDITURE	156,126,790.00	138,159,701.22	17,967,088.78
3.	CAPITAL EXPENDITURE	11,250,000.00	-	11,250,000.00

- A. REVENUE: - A sum of ₦16,500,000.00 was budgeted for revenue for the period while only ₦7,659,500 was realized which shows a negative variance of ₦8,840,500.00 and this represent just 46.4% performance level.
- B. RECURRENT EXPENDITURE: - A sum of ₦156,126,790.00 was the budgeted recurrent expenditure while a sum of ₦138,159,701.22 was expended leaving a surplus balance of ₦17,967,088.78.
- C. CAPITAL EXPENDITURE:- A sum of ₦11,250,000.00 was budgeted as capital expenditure out of which nothing was expended thereby leaving a surplus balance of ₦11,250,000.00

D. AUDIT QUERY: - The current position of audit queries as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
Ministry of Human Resources and Capacity Building	2	6				8		8	

7. HIGH COURT OF JUSTICE

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the High Court of Justice, Osogbo were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditures:** Control over expenditure was inadequate as some Payment Vouchers were not supported with relevant documentary evidence of Judicious spending of fund released to the Court.

3. **Financial Performance**

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	120,000,000.00	1,876,500.00	118,123,500.00
b.	Recurrent Expenditure	843,250,750.00	832,512,068.66	10,738,681.34
c.	Capital Expenditure	30,379,500.00	-	30,379,500.00

a. **Revenue:** A sum of ₦120,000,000.00 was budgeted for revenue while a sum of ₦1,876,500.00 was the actual revenue, this showing variance balance of ₦118,123,500.00. This is a dismal performance. All hands must be on desk to improve in revenue generation.

a. **Recurrent Expenditure:** A record showed that, the budgeted recurrent expenditure stands at ₦843,250,750.00 while the actual recurrent expenditure was ₦832,512,068.66 and the surplus balance was ₦10,738,681.34.

b. **Capital Expenditure:** A total sum of ₦30,379,500.00 was budgeted as Capital Expenditure while nil amount was released/expended leaving a surplus balance of ₦30,379,500.00.

4. **Audit Query:** The current position of outstanding audit queries is as shown below;

MDA	BF	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand total
High Court of Justice	Nil	02	03	03	02	10	Nil	01	01

8. MINISTRY OF JUSTICE

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Justice, Osogbo were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditures:** Control over expenditure was inadequate as expenditure was devoid of relevant documentary evidence of Payment were such as sub-receipt. Also Payment Voucher were signed by the beneficiaries.

3. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	-	-	-
b.	Recurrent Expenditure	363,178,360.00	250,307,225.70	112,871,134.30
c.	Capital Expenditure	25,000,000.00	1,340,000.00	23,660,000.00

4. **Audit Query:** The current position of outstanding audit queries is as shown:-

MDA	BF	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand total
Ministry of Justice	-	01	01	01	01	04	Nil	01	01

9. CUSTOMARY COURT OF APPEAL

1. **Submission of Accounts:** The yearly Trial Balance and Memorandum Accounts of the Customary Court of Appeal, Osogbo were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditures:** Control over expenditure was inadequate as some Payment Vouchers were not supported with relevant documentary evidence of Judicious spending of fund released to the Court.

3. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	-	-	-
b.	Recurrent Expenditure	467,298,080.00	419,354,955.09	47,943,124.91
c.	Capital Expenditure	24,000,000.00	7,500,000.00	16,500,000.00

a. **Recurrent Expenditure:** A sum of ₦467,298,080.00 was budgeted for recurrent expenditure during the period while ₦419,354,955.09 was released and expended. This indicated a positive variance of ₦47,943,124.91.

b. **Capital Expenditure:** A sum of ₦24,000,000.00 was budgeted as Capital expenditure while the sum of ₦7,500,000.00 was expended leaving a surplus balance of ₦16,500,000.00.

4. Audit Query: The current position of outstanding audit queries is as shown:-

MDA	BF	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand total
Customary Court of Appeal	Nil	01	01	01	01	04	Nil	01	01

10. LOCAL GOVERNMENT SERVICE COMMISSION

A. **SUBMISSION OF ACCOUNTS:** - The records and Memorandum accounts of the Local Government Service Commission were submitted to any Office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

B. FINANCIAL PERFORMANCE:-:-

S/NO		BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1	REVENUE			
2	RECURRENT EXPENDITURE	74,386,920.00	23,593,194.85	50,793,725.15
3	CAPITAL EXPENDITURE	-	-	-

A. RECURRENT EXPENDITURE:- During the Period under review, a sum of #74,386,920.00 was budgeted as recurrent expenditure out of which a sum of #23,593,194.85 was expended leaving a balance of #50,793,725.15 as surplus.

B. CAPITAL EXPENDITURE: - Nothing was approved as budgetary expenditure for the period.

C. AUDIT QUERY: The current Position of audit queries is as shown below:

[illegible]

11 OSUN STATE JUDICIAL SERVICE COMMISSION

1. **Submission of Account:** The Annual Trial Balance and Memorandum Accounts of the Osun State Judicial Service Commission, Osogbo were submitted to my office for auditing as stipulated by extant guidance and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	-	22,252,952.34	22,252,952.34
b.	Recurrent Expenditure	126,128,550.00	87,496,863.15	38,631,686.85
c.	Capital Expenditure	55,000,000.00	-	55,000,000.00

2. **Audit Query:** The current position of outstanding audit queries is as shown:-

MDA	BF	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand total
Osun State Judicial Service	Nil	Nil	Nil	Nil	02	02	Nil	Nil	Nil

12. MINISTRY OF INFORMATION

A. **SUBMISSION OF ACCOUNTS:** - The Annual Trial Balance and memorandum Accounts of the Ministry of information and Civil Orientation were submitted to my office for auditing as stipulated by extant guideline and procedures as contained in the Financial Regulations.

B. FINANCIAL PERFORMANCE:-

S/NO	ITEMS	BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	2,500,000.00	227,000.00	2,273,000.00
2.	RECURRENT EXPENDITURE	68,201,880.00	63,321,187.77	4,880,692.23
3.	CAPITAL EXPENDITURE	23,570,000.00	6,895,000.00	16,675,000.00

A. **REVENUE:** - The budgeted revenue was #2,500,000.00 while to total actual revenue generated was #227,000.00 leaving a deficit balance of #2,273,000.00.

B. **RECURRENT EXPENDITURE:** - A sum of #68,201,880.00 was appropriated under recurrent Expenditure for the year under review while the actual expenditure was #63,321,187.77 with a variance of #4,880,692.23 as surplus.

C. **CAPITAL EXPENDITURE:-** The approved estimate for Capital Expenditure was #23,570,000.00 out of which #6,895,000.00 was actually expended learn a balance of #16,975,000.00.

13. OSUN STATE HOSPITALS MANAGEMENT BOARD

A. **SUBMISSION OF ACCOUNTS:** - The records and memorandum accounts of the Hospitals Management Board were submitted to my office for auditing as stipulated by

extant guidelines and Procedures as contained in the Financial Regulations.

- B. **CONTROL OVER EXPENDITURE:** - Audit observation showed that there were some wrong classifications of expenditure and entries in the running cost account.

C. FINANCIAL PERFORMANCE:-

S/N O.		BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	60,000,000.00	150,000.00	59,850,000.00
2.	RECURRENT EXPENDITURE	2,836,088,800.00	2,555,574,628.86	280,514,171.14
3.	CAPITAL EXPENDITURE	84,363,380.00	-	84,363,380.00

- A. REVENUE:- The approved revenue budget for the Agency for the year was #60,000.00 while a sum of #150,000.00 was released leaving an unrealized revenue balance of #59,850,000.00 and this represent just 0.25% Performance level.
- B. RECURRENT EXPENDITURE:- The budgeted figure for recurrent expenditure for the year was #2,836,088.800.00 while a sum of #2,555,628.86 was expended leaving a balance of #280,514,171.14 as surplus.
- C. CAPITAL EXPENDITURE:- A sum of #84,363,380.00 was budgeted for capital expenditure out of which nothing was expended leaving a surplus balance of #84,363,380.00
- D. **AUDIT QUERY:** - The current position of audit queries as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTA ND-ING QUERIES	2021	GRAN D TOTA L	REMAR KS
Hospitals , Manage ment Board	6	3	1	2		12	1	13	

14. MINISTRY OF INOVATION, SCIENCE AND TECHNOLOGY

- (B) Control over expenditures:- Audit was yet to be updated on the acquisition and supply of “Unmanned Aeria Vehicles” which was a subject of Audit Query since 2018. Furthermore, some transactions were either not completely vouched or unretired during the period under review.

(d) Audit Query

MDA	B/ F	2017	2018	2019	2020	Query Close d	Outstandi ng Query	2021	Remarks
Ministry of Innovation Science	1	3	5	5	2	14	2	2	MIST/03/2018 & MIST/01/2016

15. HOUSE OF ASSEMBLY

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the House of Assembly, Osogbo were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	2,200,000.00	20,687.67	2,179,312.33
b.	Recurrent Expenditure	1,570,853,370.00	1,226,890,501.37	343,962,868.68
c.	Capital Expenditure	50,000,000.00	47,875,392.00	2,124,608.00

3. **Audit Query:** The current position of outstanding audit queries is as shown:-

MDA	B F	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand total
House of Assembly	-	-	-	-	-	-	Nil	01	-

16. OSUN STATE ASSEMBLY SERVICE COMMISSION

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Osun State Assembly Service Commission, Osogbo were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	-	-	-
b.	Recurrent Expenditure	95,215,580.00	36,178,979.41	57,036,900.59
c.	Capital Expenditure	4,700,000.00	-	4,700,000.00

3. **Audit Query:** The current position of outstanding audit queries is as shown:-

[illegible]

17. CIVIL SERVICE COMMISSION

A. SUBMISSION OF ACCOUNTS: - The records and Memorandum accounts of the Civil Service Commission were submitted to my Office for auditing as stipulated by extant guidelines and Procedures as contained in the Financial Regulations.

B. FINANCIAL PERFORMANCE:-

S/N O		BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE			
2.	RECURRENT EXPENDITURE	45,178,220.00	43,293,273.90	1,884,946.10
3.	CAPITAL EXPENDITURE			

A. RECURRENT EXPENDITURE: - A sum of #45,178,220.00 was the approved recurrent expenditure for the period while #43,293.90 was actually expended leaving a surplus balance of #1,884,946.10.

B. CAPITAL EXPENDITURE: - Nothing was approved for the Capital expenditure for the Period.

C. AUDIT QUERY:- The current position of audit queries is as shown blow:

AUDIT QUERY: - The current position of audit queries is as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTA ND-ING QUERIES	2021	GRAN D TOTA L	REMAR KS
Civil Service Commiss ion									

18. OFFICE OF NATURAL AND MINERAL RESOURCES

(a) **SUBMISSION OF ACCOUNTS:-** The annual Trial Balance and Memorandum Accounts of Office of Natural and Mineral Resources were submitted to my office for auditing as required by extant guidelines and procedures as contained in the Financial Regulation.

(b) **CONTROL OVER EXPENDITURE:-** The control over expenditure of the Agency was found to be inadequate though fund were not released to the Agency to express much control of expenditure.

(c) **FINANCIAL PERFORMANCE**

Items	Budgeted #	Actual #	Variance
Revenue	100,000.000	13,480,000.00	86,520,000.00
Recurrent Expenditure	33,705,520.00	28,756,349.95	4,949,170.05
Capital Expenditure	39,215,856.00	—	39,215,856.00

(a) **REVENUE: -** The approved revenue budget of the office in the year under review was #100,000.00, the actual revenue generated was #13,480,000.00 leaving #86,520,000.00 unrealized in the year.

(b) **RECURRENT EXPENDITURE: -** The budgeted recurrent expenditure was #33,705,520.00 while #28,756,349.95 was expenditure leaving a balance of #4,949,170.05 as surplus.

(c) **Audit Quarries: -** Present position of Audit quarries is as shown below:

MDA	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Grand total	Pension
Office of Natural and Mineral Resources	-	3	1	-	3	1	-	1	2019 outstanding

19. MINISTRY OF LANDS AND PHYSICAL PLANNING

(A) **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Lands and Physical Planning were submitted to my Office for auditing as stipulated by extant guidelines and procedures contained in the Financial Regulations.

(B) **Control over Expenditure:** Control over Expenditure was inadequate as most Payment Vouchers were not supported with relevant documentary evidences of judicious spending of fund released to the Agency.

(C) **Financial Performance:**

S/N	BUDGET EXPENDITURE	BUDGET ₦	ACTUAL ₦	VARIANCE ₦
1.	Revenue		81,920,125.28	(81,920,125.28)
2.	Recurrent Expenditure	108,191,588.00	95,741,844.72	12,449,735.28
3	Capital Expenditure	150,000,000.00	31,297,629.30	118,702,370.70

A. **Revenue: -** there was no approved estimated revenue for the year, yet a sum of N81, 191,588.00 was generated resulting into a positive variance of ~~N~~81, 191,588.00

B. **Recurrent Expenditure:-** The total approved recurrent expenditure was ₦108, 191,588.00 while the actual expended was ₦95, 741,844.72 giving a variance of N12, 449,735.28 as surplus.

C. **Capital Expenditure:-** The approved capital for the agency in the year 2021 was ₦150, 000,000.00 while the actual capital expended was ₦31, 297,629.30 leaving the surplus of N 118,702,370.70.

(D) **Audit Query:** The current position of outstanding Audit Query is as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
Ministry of Lands	2	2	Nil	1	1	4	2	6	

20. MINISTRY OF HEALTH

A. **SUBMISSION OF ACCOUNTS:-** The records and memorandum accounts of the Ministry of Health were submitted to my office as contained in the Financial Regulations.

B. **CONTROL OVER EXPENDITURE:-** Control over expenditure was inadequate as expenditure incurred were devoid of relevant supporting document to substantiate the judicious use of the fund.

C. **FINANCIAL PERFORMANCE:-**

S/NO.		BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	7,361,904.21	661,969,568.17	654,607,663.96
2.	RECURRENT EXPENDITURE	843,676,710.00	565,101,367.40	278,575,342.60
3.	CAPITAL EXPENDITURE	698,836,760.00	105,105,739.94	593,731,020.06

A. **REVENUE:-** The targeted revenue for the year was #7,361,904.21 while the actual revenue generated was #661,969,568.17 while shows a positive variance of #654,607,663.96

B. **RECURRENT EXPENDITURE:-** A sum of #843,676,710.00 was the budgeted recurrent expenditure for the year while a sum of #565,101,367.40 was expended leaving a sum Of #278,575,342.60 as a surplus balance.

C. **CAPITAL EXPENDITURE:-** a SUM OF #698,836,760.00 was budgeted as capital expenditure while the sum of #105,105,739.94 was expended leaving a surplus balance of #593,731,020.06

D. **AUDIT QUERY:-** The current position of audit queries as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
Ministry of Health	6	-	4	3	6	7		7	

21. MINISTRY OF ECONOMIC PLANNING, BUDGET AND DEVELOPMENT

1. **Submission of Account:** The Annual Trial balance and Memorandum Accounts of the Ministry of Economic Planning, Budget and Development were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditure:** It was observed that the control over expenditure was inadequate as store records e.g stock receipts and issue vouchers were not properly kept and relevant documentary evidence were not attached to the Payment Vouchers.

3. **Financial Performance**

N/S		BUDGETED (N)	ACTUAL (N)	VARIANCE (N)
1.	Revenue	423,750,000.00	-	423.750,000.00
2.	Recurrent Expenditure	239,127,430.00	185,304,253.83	53,823,176.17
3.	Capital Expenditure	59,271,800.00	44,336,940.00	14,934,860.00

a. **Revenue:** A sum of N423,750,000.00 was the budgeted for the year under review while none was actually revenue generated leaving a deficit of N423.750,000.00.

b. **Recurrent Expenditure:** A sum of N239,127,430.00 was budgeted amount for recurrent expenditure while a sum N185,304,253.83 was expended leaving a balance of N53,823,176.17.

c. **Capital Expenditure:** A sum of N59,271,800.00 was budgeted as Capital Expenditure for the year under review while a sum N44,336,940.00 was expended leaving a balance of N14,934,860.00.

4. **Audit Query:** The Current position of Audit queries is as shown below.

MDA	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand Total	Remark
Ministry of Economic Planning, Budget & Development	03	02	04	03	12	Nil	3	3	

22. TEACHERS' ESTABLISHMENT AND PENSION OFFICE

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Teaching Service Commission (TESCOM) were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **CONTROL OVER EXPENDITURE:** Adequate controls were not operational over the Agency's spending while some other expenditure were not disclosed hence not fully compliant with the IPSAS-based accrual.

3. FINANCIAL PERFORMANCE:

S/N	PARTICULARS	BUDGETED (₦)	ACTUAL (₦)	VARIANCE (₦)
a	Revenue		4,770,000.00	(4,770,000.00)
b	Recurrent Expenditure	56,203,250.00	52,409,819.25	3,793,430.75
c	Capital Expenditure	600,000.00	NIL	600,000.00

Revenue: There was no revenue approved for the agency in the year but yet, a sum of Four Million, Seven Hundred and Seventy Thousand naira (4,770,000.00) was generated.

Recurrent Expenditure: The total approved recurrent expenditure for the Agency was Fifty Six Million, Two Hundred and Three Thousand, Two Hundred and Fifty Naira (56,203,250.00) while only Fifty Two Million, Four Hundred and Nine Thousand, Eight Hundred and Nineteen Naira and Twenty Five Kobo (52,409,819.25) was expended leaving the variance of Three Million, Seven Hundred and Ninety Three Thousand Four Hundred and Thirty Naira and Seventy Five Kobo (3,793,430.75)

Capital Expenditure: The approved Capital Expenditure for the year under review was Six Hundred Thousand Naira (600,000.00). With nothing expended in that year, you are left with Six Hundred Thousand Naira (600,000.00) as positive variance.

4. AUDIT QUERY:- The current position of Audit Queries is as shown below:

MDA	B/F 2017	2018	2019	2020	CLOS ED	OUTSTA ND-ING QUERIE S	202 1	GRAN D TOTAL	REMARK S
Teachers' Establishment and Pension Office (TEPO)	-	-	-	-	-		1	1	

23. OFFICE OF THE SURVEYOR – GENERAL

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of the Office of the Surveyor – General were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **CONTROL OVER EXPENDITURE:** Some payment Vouchers were wrongly classified. Classification of expenditure should be in line with the domesticated Chart of Account in the State.

3. FINANCIAL PERFORMANCE:-

S/N.	BUDGET ITEMS	APPROVED BUDGET (₦)	ACTUAL (₦)	VARIANCE (₦)
(a)	Revenue			

(b)	Recurrent	55,673,510.00	27,561,220.97	28,112,289.03
(c)	Capital	-	-	-

(a) **CAPITAL EXPENDITURE:** - It was observed that no amount was budgeted for Capital expenditure during the year under review.

(b) **RECURRENT EXPENDITURE:** - A sum of Fifty-Five Million, Six Hundred and Seventy Three Thousand, Five Hundred and Ten Naira (₦55,673,510.00) was the approved estimate for the recurrent expenditure, while a sum of Twenty-Seven Million, Five Hundred and Sixty One Thousand, Two Hundred and Twenty Naira and Ninety-Seven (₦27,561,220.97) was expended leaving a surplus of Twenty-Eight Million, One Hundred and Twelve Thousand, Two Hundred and Eighty-Nine Naira, Three Kobo (₦28,112,289.03).

(c) **ESTIMATED REVENUE:** - The total amount generated from revenue for the year stood at nil value.

4. **Audit Query** The current position of Audit Queries is as shown below:

MD A	B/F 2017	2018	2019	2020	QUERIE S CLOSED	OUTST AND- ING QUERIE S	2021	GRAN D TOTA L	REMAR KS
Office of Surveyor- General	01	01	-	-	02	-	-	-	

24. OSUN CENTRAL EDUCATION DISTRICT OFFICE, ILA – ORANGUN

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of Osun Central Education District Office, Ila - Orangun were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulation.

2. **CONTROL OVER EXPENDITURE:** Control over Expenditure was observed to be grossly inadequate as most Payment made were devoid of relevant documentary evidences. Some payments were observed to have been made without raising relevant payment vouchers contrary Financial Regulations.

3. **FINANCIAL PERFORMANCE:**

S/N.	PARTICULARS	BUDGETED (₦)	ACTUAL (₦)	VARIANCE (₦)
A	Revenue	-	-	-
B	Recurrent Expenditure	1,329,755,490.00	1,316,911,912.50	12,843,577.50
C	Capital Expenditure	6,645,000.00	-	6,645,000.00

A. **REVENUE ACCOUNT:** - The total budgeted revenue for the agency during the period under review was nil while total actual revenue collected by the Agency was nil as well.

B. **RECURRENT EXPENDITURE:** - The budget of recurrent for the year under review was ₦1,329,755,490.00 while the actual recurrent expenditure was ₦1,316,911,912.50. This resulted in a variance of ₦12, 843,577.50 as surplus.

C. **CAPITAL EXPENDITURE:** - The total budgeted capital expenditure for the agency was ₦6,645,000.00 while the actual capital expenditure was Nil. This resulted in a variance of ₦6,645,000.00.

4. **Audit Query** The current position of Audit Queries is as shown below:

MDA	B/F 2017	201 8	201 9	2020	QUERI ES CLOSE D	QUERIES OUTSTA ND-ING	2021	GRA ND TOTA L	REMARKS
Osun Central District Office Ila-Orangun	-	02	02	-	-	04	01	05	

25. **OSUN EAST EDUCATION DISTRICT OFFICE, ILE – IFE**

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of Osun East Educational District office, Ile – Ife were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditure:** Numerous wrong entries/posting were observed in both the Salary and Running Cost Account Cash Books leading to incorrect balances in most cases. This is unwholesome and should be discontinued.

3. **FINANCIAL PERFORMANCE:-**

S/N.	PARTICULARS	BUDGETED (₦)	ACTUAL (₦)	VARIANCE (₦)
a	Revenue	-	-	-
b	Recurrent Expenditure	1,173,141,360.00	1,099,519,953.07	73,621,406.93
c	Capital Expenditure	5,219,680.00	-	5,219,680.00

A. **REVENUE ACCOUNT:** - No amount was budgeted under revenue head for the agency during the period under review.

B. **RECURRENT EXPENDITURE:** - The approved recurrent budget for the year under review was ₦1,173,141,360.00 out of which ₦1,099,519,953.07 was expended. This resulted in a variance of ₦73,621,406.93 as surplus.

C. **CAPITAL EXPENDITURE:** - The approved capital expenditure budget for the agency was ₦6,645,000.00 while the actual capital expenditure was Nil. This resulted in a variance of ₦6,645,000.00.

D. Audit Query The current position of Audit Queries is as shown below:

MDA	B/F 2017	2018	2019	2020	CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
Osun East Education District Office, Ile-Ife	-	02	01	-	02	01	04	05	

26. OSUN WEST EDUCATION DISTRICT OFFICE (IKIRE)

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of the Osun West Education District Office were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulation.

2. **FINANCIAL PERFORMANCE:**

S/N.	particulars	BUDGETED (₦)	ACTUAL (₦)	VARIANCE (₦)
a	Revenue			
b	Recurrent Expenditure	1,149,190,050.00	1,089,805,552.16	59,384,497.84
c	Capital Expenditure	4,527,000.00	-	4,527,000.00

A. **REVENUE ACCOUNT:** - No amount was budgeted under revenue head for the agency during the period under review.

B. **RECURRENT EXPENDITURE:** - The approved recurrent budget for the year under review was ₦1,149,190,050.00 while the actual recurrent expenditure was ₦1,089,805,552.16. This resulted in a variance of ₦59,384,497.84 as surplus.

C. **CAPITAL EXPENDITURE:** - The total budgeted capital expenditure for the agency was ₦4,527,000.00 while the actual capital expenditure was Nil. This resulted in a variance of ₦4,527,000.00.

3. **Audit Query** The current position of Audit Queries is as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
-----	-------------	------	------	------	-------------------	------------------------	------	----------------	---------

Osun West Education District Office, Ikire	-	01	01	-	02	-	-	-	
---	---	----	----	---	----	---	---	---	--

27. MINISTRY OF CULTURE AND TOURISM

- A. **Submission of Accounts:** - The Annual trial balance and Memorandum of Accounts of Ministry of Culture and Tourism were submitted to my office for auditing as stipulated by extant guidelines and procedure as contained in the financial regulation.
- B. **Control over Expenditure:** - It was observed that the control over expenditure made was grossly adequate as documentary evidence of expenditure made were grossly adequate to justify the judicious use of the find released.

C. FINANCIAL PERFORMANCE:-

S/NO	BUDGETED	BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	20,000,000.00	135,000.00	19,865,000.00
2.	RECURRENT EXPENDITURE	72,653,460.00	40,290,118.88	32,363,341.12
3.	CAPITAL EXPENDITURE	23,000,000.00	31,520,000.00	8,520,000.00

- A. Revenue: - A sum of #20,000,000.00 was budgeted for Revenue while #135,000.00 was actual generated leaving of deficit balance of #19,865,000.00. The level of performance was 0.67%. You are implored to embark on aggressor revenue Collection drive so that high level of Performance could be achieved in subsequent years.
- B. Recurrent Expenditure: - A sum of #72,653,466.00 was approved for recurrent expenditure while a sum of #40,290,118.88 was expenditure learning a balance of #32,363,341.12 as a surplus.
- C. Capital Expenditure:- A sum of #23,000,000.00 was approved for Capital expenditure while a sum of #31,520,000.00 was actual expenditure, leaning an over expenditure balance of #8,520,000.00 as deficit.

D. AUDIT QUERIES:- The current position of outstanding Query is as shown below:-

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTANDING QUERIES	2021	GRAND TOTAL	REMARKS
Civil Service Commission	1	1	1	1	4		3	3	

28. RURAL WATER AND ENVIRONMENTAL SANITATION AGENCY

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Rural Water and Environmental Sanitation Agency were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	10,000,000.00	43,000.00	9,957,000.00
b.	Recurrent Expenditure	81,931,960.00	71,000,723,.34	10,931,236.66
c.	Capital Expenditure	294,000,000.00	5,000,000.00	289,000,000.00

a. **Revenue:** During the reporting year, a sum of ₦10,000,000.00 was budgeted while a sum of ₦43,000.00 was actually generated leaving a deficit of ₦9,957,000.00. This calls for a seriousness on the part of the revenue generators.

a. **Recurrent Expenditure:** A perusal of records revealed that the budget Recurrent expenditure was ₦81,931,960.00 while the actual Recurrent expenditure was ₦71,000,723,.34 leaving a balance of ₦10,931,236.66.

b. **Capital Expenditure:** A sum of ₦294,000,000.00 was observed to be the budgeted as Capital expenditure for the reporting year, 2021. The sum of ₦5,000,000.00 was the actual amount expended for the year leaving a balance of ₦289,000,000.00.

29 MINISTRY OF YOUTH AND SPORTS

A. **SUBMISSION OF ACCOUNTS:** - The Annual Trial Balance and Memorandum Accounts of Ministry of Youth and Sports were submitted to my Office for auditing as stipulated by extant guideline and proceedings as Contained in the Financial Regulations.

B. FINANCIAL PERFORMANCE

S/NO	BUDGETED	BUDGETED (N)	ACTUAL (N)	VARIANCE (N)
1.	REVENUE	1,000,000.00	161,500.00	838,500.00
2.	RECURRENT EXPENDITURE	862,708,720.00	72,261,024.55	790,447,695.00
3.	CAPITAL EXPENDITURE	91,930,000.00	20,000,000.00	71,930,000.00

- A. **REVENUE:** - The Budgeted revenue figure was #1,000,000.00 while the actual revenue generated was #161,500.00 in the year under representing 16% of the total Budget. Your Office is advised to put more efforts.
- B. **RECURRENT EXPENDITURE:** - A sum of #862,708,720.00 was budgeted under Recurrent Expenditure for the year, while the actual expenditure was #72,261,024.55 thus showing a balance of #790,447,695.00.
- C. **CAPITAL EXPENDITURE:** - Capital Expenditure building was #91,930,000.00 while the actual expenditure was #20,000,000.00 learning a balance of #71,930,000.00 not expended.

30. OFFICE OF AUDITOR-GENERAL (STATE)

No comments

31. OFFICE OF AUDITOR-GENERAL FOR LOCAL GOVERNMENTS

No comments

32. OFFICE OF ACCOUNTANT-GENERAL

(B) **Control over Expenditure:-** Some donations to some organizations during the year under review were yet to be backed by acknowledgements of receipt of payments by beneficiaries.

(d) Audit Queries Nil

33. MINISTRY OF FINANCE

1. **Submission of Account:** The Annual Trial balance and Memorandum Accounts of the Ministry of Finance were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditure:** It was observed that the control over expenditure was poor i.e the most expenditure were not retired with the required documentary evidence to established judicious spending of the fund.

3. Financial Performance

N/S		BUDGETED (N)	ACTUAL (N)	VARIANCE (N)
1.	Revenue	3,034,400,000.00	142,742,490.72	2,891,657,509.26
2.	Recurrent Expenditure	5,972,405,660.00	5,375,361,917.57	587,053,744.43
3.	Capital Expenditure	188,800.00	53,196,657.00	135,604,343.00

a. **Revenue:** A sum of ₦3,034,400,000.00 was budgeted for the year under review while the Actual revenue generated was ₦142,742,490.72 leaving a deficit of ₦2,891,697,509.26.

b. **Recurrent Expenditure:** A sum of ₦5,972,405,660.00 was the budgeted as recurrent expenditure while a sum ₦5,375,361,917.57 was released and expended leaving a balance of ₦587,053,744.43.

c. **Capital Expenditure:** A sum of ₦188,800.00 was the budgeted as Capital Expenditure while a sum ₦53,196,657.00 was actually expended leaving a balance of ₦135,604,343.00.

4. **Audit Query:** The Current position of Audit queries is as shown below.

MDA	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand Total	Remark
Ministry of Finance	07	05	01	Nil	13	Nil	2	2	

34. **MINISTRY OF ENVIRONMENT AND SANITATION**

(a) **SUBMISSION OF ACCOUNTS:-** The Annual Trial Balance and Memorandum Accounts of Ministry of Environment and Sanitation were submitted to my office for auditing as stipulated by extent guidelines and procedures as contained in the Financial Regulations.

(b) **CONTROL OVER EXPENDITURE:-** Audit observation of the control over expenditure shows some gross inadequacy as expenditures were not supported with proper documentary evidence of Judicious spending.

(c) **FINANCIAL PERFORMANCE**

Items	Budgeted ₦	Actual ₦	Variance ₦
Revenue	800,000,000.00	211,672,202.00	588,327,798.00
Recurrent Expenditure	286,724,030.00	215,914,530.17	70,809,499.00
Capital Expenditure	253,894,010.00	183,295,046.00	70,598,964.00

(a) **RECURRENT EXPENDITURE:-** The budgeted expenditure was ₦286,724,030.00 while the actual expended was ₦215,914,530.17 thereby leaving a balance ₦70,809,499.83 as surplus.

(b) **REVENUE:-** The sum of ₦800,000,000.00 was approved revenue budget for the Ministry while the actual amount generated was ₦211,672,202.00 leaving a balance ₦588,327,798.00 unrealized.

(c) **Capital Expenditure:-** The sum of ₦253,894,010.00 the was approved estimate for the Financial year, the sum ₦183,295,046.00 was expended leaving a balance ₦70,598,964.00 is budget surplus.

The current position of audit queries is as shown below;

(d) **Audit Query**

MDA	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Grand total	Remark
Ministry of Agriculture and	1	3	1	-	1	4	3	7	2019 query closed

Food Security									
---------------	--	--	--	--	--	--	--	--	--

35. MINISTRY OF REGIONAL INTEGRATION AND SPECIAL DUTIES

1. **Submission of Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Regional Integration and Special Duties were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Financial Performance**

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Revenue	-	1,250,000.00	-
b.	Recurrent Expenditure	973,700,000.00	952,343,000.00	21,427,000.00
c.	Capital Expenditure	-	-	-

a. **Revenue:** No amount was budgeted but a sum of ₦1,250,000.00 was generated.

b. **Recurrent Expenditure:** A total sum of ₦973,700,000.00 was budgeted as Recurrent expenditure while only a sum of ₦952,343,000.00 was released and expended, leaving a balance of ₦21,427,000.00.

c. **Capital Expenditure:** There was no Capital Expenditure budgeted during the reporting period.

36. MINISTRY OF EDUCATION

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of Ministry of Education were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control Over Expenditure:** Control over Expenditure was reasonable. However, some inadequacies were observed as some payment vouchers were not supported with relevant documentary evidence of judicious spending of funds released to the Agency.

3. **FINANCIAL PERFORMANCE**

S/N.	Particulars	BUDGET (₦)	ACTUAL (₦)	VARIANCE (₦)
a	Revenue			
b	Recurrent Expenditure	880,402,330.00	877,744,782.86	2,657,547.14
c	Capital Expenditure	1,184,303,320.00	72,440,885.00	1,111,862,435.00

A. **Revenue:** there was no revenue budget for the year and so, no amount was generated either.

B. **Recurrent Expenditure:** Your actual recurrent expenditure falls below the budgeted estimate figure by ₦2,657,547.14

C. **Capital Expenditure:** Also, your actual capital expenditure falls below the estimate figure

by ₦1,111,862,435.00

4. **AUDIT QUERY:** - The current position of Audit Queries is as shown below:

MDA	B/F 2017	2018	2019	2020	CLOS ED	OUTSTA ND-ING QUERIES	2020	GRA ND TOTA L	REMA RKS
Ministry of Education	07	06	06	04	23	-	04	04	

37. **MINISTRY OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS**

A. **SUBMISSION OF ACCOUNTS:** - The records and Memorandum accounts of the Ministry of Local Governments and Chieftaincy Affairs were submitted to my office for auditing as stipulated by extant guidelines and Procedures as contained in the Financial Regulations.

B. **CONTROL OVER EXPENDITURE:** - Control over expenditure was inadequate as payments made were not properly substantiated with document evidence of spending.

C. **FINANCIAL PERFORMANCE:-**

S/NO		BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	25,000,000.00	230,400.00	24,769,600.00
2.	RECURRENT EXPENDITURE	73,439,390.00	61,294,517.22	12,144,872.78
3.	CAPITAL EXPENDITURE	5,500,000.00	5,000,000.00	500,000.00

A. REVENUE: - A sum of #25,000,000.00 was the budget revenue for the year while the sum of #230,400.00 was the revenue collected during the reporting period leaving an unrealized revenue balance of #24,769,600.00 which represent 0.92% performance level.

B. RECURRENT EXPENDITURE: A sum of #73,439,390.00 was budgeted as recurrent expenditure while the sum of #61,294,517.22 was expended leaving a sum of #12,144,872.78 as surplus balance.

C. CAPITAL EXPENDITURE: - A sum of #5,500,000.00 was the budget capital expenditure out of which #5,000,000.00 was expended leaving a balance of #500,000.00 as surplus.

D. AUDIT QUERY: - The current position of audit queries is as shown below:

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTA ND-ING QUERIES	2021	GRAN D TOTA L	REMAR KS
Ministry of Local Government and Chieftaincy Affairs		2				2		2	

38. MINISTRY OF HOME AFFAIRS

1. **Submission of Account:** The Annual Trial balance and Memorandum Accounts of the Ministry of Home Affairs were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditure:** It was observed that the control over expenditure was inadequate i.e Payment was made without Payment Voucher prepared to this effect.

4. **Matters Arising:** The response to Audit queries of the year 2019 and 2020 had forwarded and the necessary actions are in progress on this and development shall be communicated to you in due course.

3. Financial Performance

N/S		BUDGETED (N)	ACTUAL (N)	VARIANCE (N)
1.	Revenue	80,600,000.00	41,519,000.00	39,081,000.00
2.	Recurrent Expenditure	275,389,090.00	224,470,259.06	50,918,830.94
3.	Capital Expenditure	65,000,000.00	8,891,56	64,991,108.44

a. **Revenue:** A sum of ₦80,600,000.00 was budgeted for while ₦41,519,000.00 was generated, leaving a balance of ₦39,081,000.00.

b. **Recurrent Expenditure:** A sum of ₦275,389,090.00 was the approved budget under recurrent expenditure while actual expenditure was ₦50,918,830.94.

d. **Capital Expenditure:** A sum of ₦65,000,000.00 was budgeted for Capital Expenditure, while a sum ₦8,891,56 was the actual expenditure, leaving a balance of ₦64,991,108.44.

4. **Audit Query:** The Current position of Audit queries is as shown below.

MDA	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand Total	Remark
Ministry of Home Affairs	01	01	03	03	02	06	01	07	

39. MINISTRY OF WATER RESOURCES AND ENERGY

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Water Resources and Energy were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Capital Expenditure	41,966,930.00	-	41,966,930.00

b.	Recurrent Expenditure	53,204,390.00	50,889,287.05	2,315,102.67
----	-----------------------	---------------	---------------	--------------

a. **Capital Expenditure:** A sum of ₦41,966,930.00 was observed be the Capital expenditure for the year 2021. Out of this amount, nothing was cash backed by the Government. ₦70,453,800.00 expended thus showing a variance of ₦65,769,560.00.

c. **Recurrent Expenditure:** A sum of ₦53,204,390.00 was the Recurrent expenditure budgeted during the period while ₦50,889,287.05 was released and expended. This showing indicated a positive variance of ₦2,315,102.67.

40. MINISTRY OF AGRICULTURE AND FOOD SECURITY

(a) **SUBMISSION OF ACCOUNTS:-** The Annual Trial Balance and Memorandum Accounts of Ministry of Agriculture and Food security were submitted to my office for auditing as stipulated by extent guidelines and procedures as contained in the Financial Regulations.

(b) **CONTROL OVER EXPENDITURE:-** The Ministry was not at her best in control over expenditure as expenses incurred were not substantiated with necessary documentary evidence of judicious spending as stipulated by Financial Regulations.

(c) FINANCIAL PERFORMANCE

Items	Budgeted #	Actual #	Variance
Revenue			
Recurrent Expenditure	349,692,350.00	321,352,487.27	28,339,862.33
Capital Expenditure	213,734,560.00	26,011,540.00	137,723,020.00

(b) **RECURRENT EXPENDITURE:-** A sum of #349,692,350.00 was approved estimate for Recurrent expenditure while the sum of #321,352,487.27 was actually expended leaving a balance of #28,339,862.33.

(c) **CAPITAL EXPENDITURE:-** A sum of #213,734,560.00 was approved estimate for capital expenditure while the sum of #76,011,540.00 was expended leaving a surplus of #137,723,020.00.

(d) Audit Query

MDA	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Grand total	Remark
Ministry of Agriculture and Food Security	-	-	-	3	3	-	3	3	

41. MINISTRY OF WOMEN AND CHILDREN AFFAIRS:

(a) **SUBMISSION OF ACCOUNTS:** - The Annual Trial Balance and Memorandum of Accounts of Ministry of Women and Children Affairs were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

(b) **CONTROL OVER EXPENDITURE:** - Expenditure control of the Ministry was not optimal Expenditure which was incurred were not supported with necessary document as and when due as stipulated by Financial Regulations:-

(c) **FINANCIAL PERFORMANCE.**

Items	Budgeted #	Actual #	Variance
Revenue	2,060,000.00	2,860,811.00	800,811.00
Recurrent Expenditure	263,128,340.00	170,087,219.75	93,041,120.25
Capital Expenditure	25,920,000.00	9,721,590.00	16,198,410.00

(a) **REVENUE:** - A sum of #2,060,000.00 was the approved revenue budget while a sum of 2,860,811.00 was the actual generated amount by the Ministry being the sum of 800,811 generated above budget.

(b) **RECURRENT EXPENDITURE:** - A sum of 263,128,340 was budget for Recurrent Expenditure for the year under review the sum #130,087,219.75 was expended in the financial year leaving #93,041,120.25 as savings

(c) **CAPITAL EXPENDITURE:** - The sum of 25,920,000.00 was the approved estimate for the Financial year, the sum of #9,721,590 was expended being the sum of #16,198,410.00 as savings

(d) **AUDIT QUERY: -** The current position of outstanding Audit Queries is as shown below:-

MDA	B/F	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Grand total	Pension
Ministry of Environment and Sanitation	NIL	NIL	NIL	NIL	4	-	4	-	4	

42. OSUN STATE SPORTS COUNCIL

A. Submission of Accounts: - The annual Trial Balance and Memorandum of Accounts of Osun Sports Council were submitted to my Office auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulation.

B. Control over Expenditure: - Control over Expenditure was adequate as expends in curried

were not substantiated with necessary documents as stipulated by financial regulation.

C. FINANCIAL PERFORMANCE

S/N O	BUDGETED	BUDGETED (N)	ACTUAL (N)	VERIANCE (N)
1.	REVENUE	10,000,000.00	519,890.00	9,480,110.00
2.	RECURRENT EXPENDITURE	180,321,550.00	171,454,335.51	8,867,214.49
3.	CAPITAL EXPENDITURE	20,610,000.00	-	20,610,000.00

- A. Revenue: - A sum of #10,000,000.00 was Budgeted Revenue while the actual revenue generated was #519,890.00 learning a deficit balance of #9,480,110.00. This is just 5.70% performance level. You are imploring to improve on your revenue generation done in the subsequent fiscal years.
- B. Recurrent Expenditure: - The approved estimate for recurrent expenditure was #180,321,550.00 out of which #171,454,335.51 was expended leaning a balance of #8,867,214.49 as a surplus.
- C. Capital Expenditure:- The appropriated figure in the approved estimate for capital expenditure in the reposting year was #20,610,000.00

D. **AUDIT QUERY:-** The current position of outstanding Query is as shown below:-

MDA	B/F 2017	2018	2019	2020	QUERIES CLOSED	OUTSTA ND-ING QUERIES	2021	GRAN D TOTA L	REMARKS
Osun State Sport Council	1	3	2	1	7		1	1	

43. MINISTRY OF WORKS.

(B) **CONTROL OVER EXPENDITURE:** Relevant documents of transactions were not made available for audit in time for monthly continuous audit. The State Integrated Financial Management Information system (SIFMIS) was under-utilized by the Ministry during the year under review.

(d) **Audit Query**

MDA	B/F	2017	2018	2019	2020	Quer y Close d	Outstandin g Query	2021	Remarks
Ministry of Works	4	7	6	4	1	5	17	2	

44. OFFICE OF TRANSPORTATION

(B) **Control Over Expenditure:** The Internal control system was weakly effective; there were instances where payments were not subjected to prepayment check by the Internal Audit Unit. Documents of Financial records for some items of expenditures were inadequate.

(d) Audit Query

MDA	B/F	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Remarks
Office of Transportation	NI L	3	3	1	3	10	-	3	

45. OSUN ROAD MAINTENANCE AGENCY (ORMA)

No comments.

(d) Audit Query

MDA	B/F	2017	2018	2019	2020	Query Closed	Outstanding Query	2021	Remarks
Osun Road Maintenance Agency	-	-	01	-	2	3	-	-	

46. MINISTRY OF POLITICAL AFFAIRS AND INTERGOVERNMENTAL RELATIONS

1. **Submission of the Account:** The Agency did not have a definite budget for the period under review. The Agency is a new creation whose expenditure surcharges is covered Bureau of General Services.

2. **Audit Query:** The Current position of outstanding queries is as shown below:

MDA	2020	Queries closed	Outstanding queries	Grand total
Ministry of Political and Intergovernmental Relations	01	01	Nil	Nil

47. MINISTRY OF RURAL DEVELOPMENT AND COMMUNITY AFFAIRS

1. **Submission of the Accounts:** The Annual Trial Balance and Memorandum Accounts of the Ministry of Rural Development and Community Affairs were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. Financial Performance

S/N	ITEMS	BUDGET (N)	ACTUAL	VARIANCE N
a.	Capital Expenditure	521,744,580.00	252,219,478.72	269,525,101.28
b.	Recurrent Expenditure	134,544,230.00	49,889,998.65	84,654,231.35

- a. **Recurrent Expenditure:** A sum of ₦134,544,230.00 was the Recurrent expenditure budget while only ₦49,889,998.65 was expended leaving a positive balance of ₦84,654,231.35.
- d. **Capital Expenditure:** A sum of ₦521,744,580.00 was Capital expenditure budgeted with only ₦252,219,478.72 expended given a variance of ₦269,525,101.28.

48. **STATE BUREAU OF STATISTICS**

1. **Submission of Account:** The Annual Trial balance and Memorandum Accounts of the State Bureau of Statistics were submitted to my office for auditing as stipulated by extant guidelines and procedures as contained in the Financial Regulations.

2. **Control over Expenditure:** It was observed that the control over expenditure was not adequately implemented i.e the Payment Vouchers were not properly signed by the recipient or beneficiaries.

3. **Financial Performance**

N/S		BUDGETED (₦)	ACTUAL (₦)	VARIANCE (₦)
1.	Revenue	200,000.00	-	200,000.00
2.	Recurrent Expenditure	69,357,010.00	35,619,784.76	33,737,225.24
3.	Capital Expenditure	11,419,000.00	215,000.00	11,204,000.00

- a. **Revenue:** A sum of ₦200,000.00 was the budgeted for revenue generated while none was the actual revenue generated leaving a shortfall of ₦200,000.00.
- b. **Recurrent Expenditure:** A sum of ₦69,357,010.00 was budgeted for recurrent expenditure while a sum ₦35,619,784.76 spent leaving a balance of ₦33,737,225.24.
- c. **Capital Expenditure:** A sum of ₦11,419,000.00 was budgeted for Capital Expenditure while a sum ₦215,000.00 was release and spent leaving a balance of ₦11,204,000.00.

4. **Audit Query:** The Current position of Audit queries is as shown below.

MDA	2017	2018	2019	2020	Queries closed	Outstanding queries	2021	Grand Total	Remark
State Bureau of Statistics	-	-	-	2	2	-	-	-	

5.0 PENSION UNIT

This unit is saddled with the responsibility of auditing examining; vetting, correcting and approving the retirement papers including retirement entitlement/benefits of all Retiring State Public Officers, i.e Secondary School teachers, civil servants, Tertiary Institutions and Staff of the State Parastatals. The operation of this unit is guided by application of enabling Pension/State Laws, Circulars, Regulations and Public Service Rule as they affect payment of pensions.

2. In the year 2021, this unit received 375 retiring officers' files where 74 of them were found contravening the provisions of some of these circulars and laws and they were penalized accordingly, while the remaining 301 without any evidence of contravention were cleared. Penalty from these 74 erring officers as discussed above saved the State Government the sum of ₦38,446,004.46 which could have gone unduly into the retired officers pockets. The breakdown of the offences committed is as follows;

- i. Officers that had premature promotions and gave insufficient notice of retirement were surcharged and total money realized under this category amounted to ₦27,574.69
- ii. Officers that added non pensionable periods of service to their pensionable period were also surcharged and the total value of money surcharge amounted to ₦13,378,933.84 and also, all cases of break in service discovered at the time of auditing the retirement entitlements attracted surcharge which amounted to ₦13,378,933.84.
- iv. Some of the retirees who had enjoyed overpayment of salary as indicated in their LPC (i.e overstay of Service) were surcharged, and the total sum of ₦10,557,842.57 was realized. The total sum recovered back into the Government treasury by Audit during the period of accounting year were ₦38,446,004.46.
- v. The office had a complementary working relationship with Teachers Establishment and Pension and Bureau of Public Service Pension Office in the Governor's Office.

6.0 **PARASTATALS AND SPECIAL INVESTIGATION UNIT.**

2021 AUDIT REPORTS

PARASTATAL AND SPECIAL INVESTIGATION UNIT

1. REPORT OF AUDIT REVIEW EXERCISE CARRIED OUT ON THE AUDITED ACCOUNTS OF OSUN STATE BROADCASTING CORPORATION (OSBC), OSOGBO FOR THE YEAR ENDED 31ST DECEMBER, 2020.

- i. **Capital Funds:** - The Capital Funds of the corporation remains the statics, while the negative Accumulated Funds grows on the yearly basis. If an adequate steps are not taking now, the corporation will sooner or later fails the going concern test. Because, the negative Accumulated Funds had eaten up 56% of the Capital Funds i.e. ₦1,608,895,770.00 as at 31st December 2020. It is high time for the management of the corporation.
- ii. **Non – Current Assets- Transmitter and Studios Equipment:** - Based on 10% depreciation policy on Transmitter and Studios Equipment, these equipment had lived its useful life span by the end of 2019 Financial Statement. The equipment needs replacement for efficiency. If action is not taking to replace these equipment, the corporation will continue to spend more on repairs and which will definitely be a tradeoff of profitability.
- iii. **Non – Current Assets- Plant & Machinery:** - As observed above, the Plant & Machinery had completed its economical useful life, as at 2018 financial year, it was represented by a token value of ₦10 in the Financial Statements. These items needs immediate replacement for efficiency. Any further use of these items will lead to high cost of maintenance and that will be a tradeoff of profitability and efficiency.
- iv. **RTS – Iwo Project:** - Your Financial Statements show that ₦1,239,404,215.00 have been invested on RTS – Iwo Project since 2018 and there is no evidence of completion or any yield from the project. The management need to take all necessary steps to enhance this project bring yield. So that the project would not be seen as a mere white elephant project without any economic value.
- v. **Debtor Control:** - The management need to carry out aging test on the trade

debtors to establish the likelihood of their recovery. The management also needs to intensify effort in the trade debtors' management. The trade debtors form part of working capital of the corporation and need to be given adequate attention. Any consultant with history of default or outstanding balances of debt should be delisted until they made good of the outstanding balances.

- vi. **Store Records and Account:-** The importance of keeping adequate store records and account cannot be overemphasized, the Financial Regulations dedicated chapter 31 to 35 to the stores and related matters. You are advised to be conversant of store procedure as prescribed in the Financial Regulations and adhere to regulations on all stores related matters. The observations of the external auditor on the operation in your stores section are worrisome. The management is implore to be alive to her responsibilities by keeping close monitoring on the stores.

2. REPORT OF PERIODIC CHECK CARRIED OUT ON THE ACCOUNTS OF OSUN STATE COLLEGE OF EDUCATION, ILA-ORANGUN, OSUN STATE FOR THE PERIOD BETWEEN 1ST JANUARY 2019 AND 30TH NOVEMBER, 2021 IN ACCORDANCE WITH PROVISIONS OF SECTION 125 SUBSECTION 3 (B) AND SECTION 4 OF THE CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA AS AMENDED.

GENERAL OBSERVATIONS: - The following are the Audit observation from the periodic checks and review of the financial statements of the college in the period covered by this assignment;

1. **Refusal to Release Accounting Records for Audit Purpose:** - It is sad to observe that, all the records and information requested from the College which would have assisted the Audit to determine the true position of the College Accounts were not provided for Audit verification. The managements concealed the records and despite the intervention of the Office of Head of Services, Osun State House of Assembly, they refused to supply the required information, in flagrant disobediences to section 125(2) of the Constitution of the Federal Republic of Nigeria 1999
2. **Distortion of the Internal Control systems:-**The internal control system is a set of

policies combined with procedures created to protect the integrity of assets and ensure efficiency. These controls are embedded in all systems. The control systems provide for roles classification that leads to departmentalization in the systems. They help create occupational boundaries for all public officers. However, a review of the activities of the Acting Provost and the Bursar of the Institution for the period under review shows that it is only the Acting Provost and the Bursar that are operating while the other existing officers of the Institution are rendered inactive and sidelined by the Acting Provost and the Bursar and without a cogent or tenable reason(s) and are against the legal and regulatory requirements of the institution. The Bursar also distorted the Institution's line of report/authority by influencing the Internal Auditor to be an appendage of Bursary department instead of functioning directly with the Provost.

3. Management of TETFUND Projects Totalling ₦406,530,045.55 (2019/2020):-

All efforts made by the Audit to access relevant documents relating to TETFUND Projects has not yielded any fruitful result. There are three 3 important projects during the period under review which require Performance/Compliance Audit attention but the Management of the institution has failed to release the relevant and required documents;

(i)	Construction of School of Science (a)	178,955,808.15
(ii)	Construction of School of Science (b)	211,973,547.40
(iii)	Construction of Aluminum Block	<u>15,600,690.00</u>

Totalling ₦406,530,045.55

4. Unwarranted Outsourcing Core Activities of The Bursary Department: -

Whereas it is one of the duties of the School's Registrar, to effect posting of Staff, but the Bursar, due to reasons known to him, usurped the power of the Registrar and unceremoniously and illegally posted two qualified accountants who are officers of the department to departments that are not relevant to their fields of qualifications. The Bursar also outsourced the functions of Director of Works of the Institution.

5. Purchase of official Cars for the Acting Provost and Bursar: - The decision of the Acting Provost and Bursar to purchase official cars for themselves, leaving other officers of the Institution out is an abuse of power and personalizing the resources of the

Institution which must be immediately checked. By hierarchy, the Deputy Provost and Acting Registry (who is the Secretary to the Governing Council) come before the Bursar. And if the whole exercise was not shrouded in financial secrecy, they ought to have been favourably considered as well; and even before the Bursar.

6. **Poor Measurement of Programme Performance**:- The Audit observed non – disclosure of the programme performance by the management of the College, some programme such as NCE part-time, distance learning, IJMB, Degree programmes, Dual Programme, TISHIP and others Programmes embarked upon were not reported separately to easy the evaluation and their worthiness in the Financial Statements;

7. **Repeated Prior Year Adjustments**: - The College failed to identify the causes of error in the Financial Statements and relied majorly in the window provided by adjusting error in financial statement through the prior year adjustment, even when there are available information at hand during the preparation and presentation of figures and these changes were not as a result of changes in the accounting policies.

8. **Store – keeping and Store Management**: - The College failed to keep adequate store documentation and management of store records, this was obvious from the inventory reported in the year 2018 and 2019 financial statement which shows non – change in the figures. It is believe that, where no additional purchases of inventory were made, the reported figure should by varied as a result of obsolesce of some items or usage during the year.

9. **Posting with Journal Vouchers**: - The use of Journal Vouchers in posting to the General Ledger is non – professional practice, the journal vouchers should not be a primary source document for posting of transaction into the Ledger. The main use of Journal Voucher is to correct errors in account classifications.

10. **Supervision of Work Done By Subordinate**: - Inadequate supervision of work done by the subordinate by the immediate senior staff from the bursary department is revealed by the error necessitated continuous adjustment in the subsequent years.

11. **Delay Updating of Financial Records**: - The delay in updating records is observed in the figures reported in the Cash and cash Equivalent and Bank Reconciliation statements, the figure in the General Ledgers, the figure of cash advance obtained from the Cash Advance Section of the Bursary and The figures in the Fixed Assets Register

which were not in tandem with the figures used to prepare and present the Financial Statements, and therefore put a question marks on the integrity of the Financial Statements.

12. **Non – Accounting for Returns from College Investments:** - The Audit observed none disclosure of the financial activities of the subsidiaries and College investments, for the past five years on the College Annual financial statements. This made the assessment of the performance of these investments unachievable. There are no record of amount invested in activities such as Agricultural Farm, Pure Water Factory, College Printing Press, College Binding Unit, College Guest House, College Bus services and College Program such as Interim Joint Matriculation Bus (IJMB), Tertiary Institution Social Health Insurance Program (TISHIP), NCE par-time program, Distance Learning program were not reported separately for audit evaluation.

a) **LOSS OF FUNDS:-** The loss of funds totalling ~~N~~412,359,902.97 perpetrated through misrepresentation of financial information, non – disclosure of vital financial information, non – updating of store ledgers, manipulation of reporting system, posting of assistant chief accountants out of main bursary office, and written off of funds without due process.

3. AUDIT REVIEW REPORT ON THE AUDITED ACCOUNTS OF UNIOSUN TEACHING HOSPITAL, OSOGBO OSUN STATE FOR THE YEARS ENDED 31ST DECEMBER, 2016, 2017 2018 AND 2019.

The audit observations;

1. **NON IMPLEMENTATION OF EXTANT CIRCULAR ON THE CREATION OF DIRECTORATE OF FINANCE AND ACCOUNT:** The Audit observed the non-compliance with the directive of the State Government on the creation of directorate of Finance and Account vide circular SMD.61 Vol.11/37 of 6th November, 2017. The State Government carried out this policy to achieve efficiency in each department of the public service but the Hospital management is defiant to this directives.
2. **POOR RECORD KEEPING:** Audit observed that the records of some units of the hospital were not properly kept which resulted in undervaluation and overvaluation in inventory reported during the period under review in the units concerned.

3. **COMPLIANCE WITH INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS):** Audit observed the use of old template in the preparation and presentation of its financial statement which is contrary to the provision of IPSAS 1. The non-compliance to IPSAS standard also affected the classification and presentation of non-current assets, revenue and expenditure matching concepts.
4. **SALARY ADVANCES:** It was also observed that the management of the Hospital did not provide policy guide on the repayment period of salary advances as prescribed by the FR 18006.
5. **ASSET REGISTER:** It was observed that the Hospital did not maintain a comprehensive asset register for all its non-current assets.
6. **NON ENDORSEMENT OF THE FINANCIAL STATEMENT:** Audit observed that the financial statement for the period 2018 and 2019 were not properly endorsed by the principal officers of the Hospital before they were submitted to the office of the Auditor General for review exercise.

RECOMMENDATION:

- i. The Management of the Hospital has been mandated to implement the directive of the State Government on the creation of directorate of Finance and Account vide circular SMD.61 Vol.11/37 of 6th November, 2017 or risk been sanctioned.
- ii. The Management was advised to improve record keeping mechanism by computerizing the account department and all IGR units. Training of account staff regularly is also paramount to achieving seamless operation.
- iii. Management should ensure full implementation of IPSAS to enhance full disclosure and also ensure that the audited report of the entity is endorsed even if it involve past activities.
- iv. The management should maintain a comprehensive asset register.

4. AUDIT REVIEW REPORT ON THE AUDITED ACCOUNTS OF OSUN STATE UNIVERSITY, OSOGBO OSUN STATE FOR THE YEAR ENDED 31ST DECEMBER, 2019.

The audit observations;

1. **STAFF ADVANCES, CASH ADVANCES AND STAFF DEBTORS:** The Audit observed that various advances were made to some members of staff of the University which were ought to have been recovered at the time of filing this report.
2. **INTERNAL AUDIT:** It was observed that the internal audit unit of the University did not have access to the degree tuition portal during the period under review. This restriction could affect the internal control function of the internal auditor.
3. **PROPERTY, PLANT & EQUIPMENT:** the Audit observed that the University did not maintain a comprehensive asset register during the period under review.
4. **INVESTMENT IN UNIOSUN VENTURE:** Observation revealed that the University made an investment to the tune of ₦42 million in UNIOSUN venture. However, audit check revealed that the venture did not make any returns on the investment. An audit query has been issued on this matter while the audit is still awaiting response from the University management.

RECOMMENDATION:

- i. The Management is mandated to recover all advances that are not retired while appropriate legal steps should be taken to recover the debts of the absconded staff.
- ii. The internal auditor should be allowed to carry out his/her functions effectively and always forward his/her reports to the Office of the Auditor general as required by law.
- iii. The Management should maintain a comprehensive asset register in compliance with the dictates of IPSAS 17.
- iv. Management is advised to put on a mechanism in place to supervise its investment on the University venture and also safe guard its internal revenue generating units.

5. AUDIT INSPECTION REPORT ON THE ACCOUNTS OF COLLEGE OF HEALTH TECHNOLOGY, ILESA FOR THE PERIOD OF 1ST OCTOBER, 2020 TO 30TH SEPTEMBER, 2021.

The following were the audit observation on the account of College Of Health Technology, Ilesa for the Period Of 1st October, 2020 To 30th September, 2021.

1. **Stores Unit:** The Audit team observed that the College require to establish and maintain a proper store as stipulated by Financial Regulation 31005 which thus ***"All Accounting officers procuring store up to the value of ₦500,000.00 and above annually must establish and maintain a proper store."*** Since the College is self - accounting Institution, it is appropriate that a standard store is established which must be manned by a qualified store keeper and proper store records must also be kept as stipulated in the Financial Regulation **31009 to 31014.**
2. **Asset Register:** - It observed that the Management of College of Health Technology, Ilesa has improved her record keeping system. However, it is important that the Management of the College to expedite action on valuation of its assets and maintain standard accounts and asset register. This will ensure adequate measurement, recognition and disclosure of the entities property, plant and equipment (PPE) as required by International Public Sector Accounting Standard (IPSAS 17). All assets should be well classified, coded and numbered, their value, condition, location and depreciation or amortization rate must be ascertained.
3. **Automation of Financial Activities:** Audit observed that in order to deepen the accrual system of accounting of the College, management should deplore customized software that will capture accounts/ledger of each student to ascertain payment processes and value of receivables where students owe any fees. Proper automation of the financial activities of the College will also enhance accurate record entry, ensure full compliance with International Public Sector Accounting Standard (IPSAS) and as well as presentation of true and fair view of the state of affairs of the Institution.
4. **Solar System:** - Audit Team discovered that Solar System installed for the institution some years back is dead. The solar system serves as an alternative power supply to the Administrative Building of the school. Non – functioning of the Solar

System is causing some hitch in the running of the office as was witness during our visitation to the bursary unit. There is urgent need to look into the problem affecting the performance of the Solar System as this important asset should not be allowed to wither away when compared the cost incurred to get it and purpose it was serving. The Management is advice to put steps in motion to refurbish the Solar System without delay.

5. Computer Laboratory (Health Information Management):- Audit team visitation to Computer Laboratory revealed that, the computer laboratory was furnished with about sixty (60) computer systems. It was dishearten to observe that, these computer systems were left idle. The Computer Laboratory is a potential income generating unit for the institution, if the management can put some amenity in place to make it functional. The ICT room need a standby power system to generate uninterrupted power supply for the smooth operation of the unit. The unit could bring revenue from;

- a) **CBT of UTME:** - With Sixty (60) computer systems, the school could be accredited as Computer Based Test Centre for the Unified Tertiary Matriculations Examination by Joint Admission and Matriculation Board, and this will generate a whole revenue on sessional basis.
- b) **Training Centre:** - The institution will earn more revenue by introducing ICT training to her immediate students' population and also allow external for training on computer appreciation and Technical Competency Initiative Programme.
- c) **Services to the student:** - The ICT unit will also help student in easy access to their porter for payment of fees and filling of academic forms without go through rigorous task and risk from dubious external service providers.

To attain these, there is a need to upgrade the system and provide alternative power supply to the Computer Laboratory (Health Information Management (ICT) and a standby power generating set will serve to avert power outage that may result from unstable power supply.

6. REPORT OF PERIODIC CHECKS EXERCISE CONDUCTED ON ACTIVITIES OF OSUN NEW TOWNS AND GROWTH AREAS DEVELOPMENT AUTHORITY, OSOGBO FROM THE PERIOD OF 1ST JANUARY 2018 TO 30th April 2021

OBSERVATIONS AND RECOMMENDATIONS: - The following are Audit observations and recommendations;

Observations:-

- A. **Internal Control Mechanism:** - Audit Team discovered absence of internal control in the activities of the Osun New Towns and Growth Areas Development Authority. The 'Committee of Sponsoring Organizations of the Treadway Commission' (COSO) describes internal control as follows: Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (i) Effectiveness and efficiency of operations (ii) Reliability of reporting (iii) Compliance with applicable laws and regulations. For the internal control to exist in every organization there must be presence of internal Audit unit to be oversee by an internal auditor. The financial regulation 28001 states thus "*The Accounting Officer of a Ministry or Agency will ensure that, an Internal Audit Unit is established to provide a continuous audit of the accounts and records of revenue, expenditure, plant, allocated and unallocated stores where applicable. The existence of an Internal Audit Unit will not divest any member of the Ministry or Agency of the individual responsibilities placed upon him neither will it obviate the necessity for normal departmental checks*". While Financial Regulation 28002 placed the responsibilities for the appointment Internal Auditor on the Accountant – General for the State. The lack of internal control and internal audit had resulted in poor monitoring of the activities of the Osun New Towns and Growth Areas Development Authority, one of the critical effect was recorded in the fraudulent activities perpetrated by the former Accountant of the Authority recently. You are advice to comply with the dictate of the Financial Regulation by requesting the Accountant – General to appoint you a suitable and experienced internal Auditor to perform the function of internal audit in accordance with Financial Regulations 28003 – 28009.

- B. The ownership of funds in the Accounts: - Audit observed that the funds residence with the Osun New Towns and Growth Areas Development Authority, only keeps in custody on behave of the Developers for monitoring purpose. While the share of the State Government were paid directly to the Treasury Single Account (TSA) almost the applicants and allottees made payment. The sharing formula according to the Memorandum of Understanding were 60% to the State Government and 40% to the Developers on the sales of Service Plots and 40% to State Government and 60% to developers on Sales of Housing Units.
- C. Project Monitoring Funds: - Audit observed that, the MOU signed with the Developers placed the responsibilities for cost of monitoring on the developers, but failed to stipulate the percentage of the developers' funds to be withheld for Projects monitoring purposes. This could be traced to huge liabilities incurred by the Authority without a specific source of securing funds to defray it.
- D. Delay in Approving Funds: - The Audit Inspection Team observed that, the slow growth in the development of Osun New Town is a direct consequence of slow in approving the payment to the Developers for work done.
- E. Item of Plant abandoned: - Audit team observed that an item of plant and machinery took away for repair were still with the service provider for failure to pay the cost of repair. And also a contract for supply of generating set were still outstanding despite payment for the cost of procurement and delivery to the authority.

Recommendations:-

- a) The Developers Account maintained by the Osun New Towns and Growth Areas Development Authority should be seen as quasi-governmental account and be treated as one. The bureaucracy on the approval for payment of work done after a thorough screening and monitoring should be stepped down. The State government should not see this funds as government funds, since the Government's share have been remitted to TSA accordingly.
- b) The authority shall open different bank accounts in the name of existing and functioning Developers to be co-signed by the developers and the designated staff of the Osun New Towns and Growth Areas Development Authority for control.
- c) The Osun New Towns and Growth Areas Development Authority shall open a new

bank account for Project Monitoring purposes and for smooth running of the office.

- d) There is need to amend the terms in the MOU to include a specific percentage of Developers funds to be withheld for the project monitoring assignment. Doing so will avail the Osun New Towns and Growth Areas Development Authority, necessary funds require for daily running of the office and enhanced project monitoring capacity of the Authority.
- e) Internal Control System:- The Management of Osun New Towns and Growth Areas Development Authority is advised to liaise with the office of the Accountant – General for the appointment of suitable and qualified person to hold the office of the Internal Auditor
- f) The Management is required to effect the recovery of the Generating Set and the photocopier with the Arynk Associates Limited and Hassler Technologies respectively without further delay and report to us accordingly.
- g) The management should make provision for immediate liquidation of all outstanding balances.

7.0 PROJECTS MONITORING AND EVALUATION UNIT

A. HIGHWAYS DEPARTMENT

1. CONSTRUCTION/REHABILITATION OF FIVE (5) SELECTED ROADS IN THE STATE OF OSUN BY CONTRACTOR – FINANCE MODE UNDER THE ALTERNATIVE PROJECT FUNDING APPROACH:

The project was awarded to Messers Peculiar Ultimate concerns Limited in February, 2020 through contractor finance mode of execution at a contractual sum of ₦5,245,729,794.95. As at the year 2020 Audit report only three out of the five roads were completed while two were on going but presently all the road projects have been completed and commissioned by Mr. Governor.

The projects status were as follows;

S/No	Project Description	Length of the Road	Contract sum	Completion Stage	Remark
1.	Ada-Igbajo Road	3.15	1,569,734,774	100%	Completed
2.	Akindeko – Awosuru, Alekuwodo Network of Road Osogbo	2.87	644,734,203.03	100%	Completed
3.	Army (Barracks) Ede, Ara-Ejigbo Township Road	25.8	1,656,953,889.47	100%	Completed
4.	Moro Junction – Yakoyo Ipetumodu Asipa, Ife Ibadan Express road	8.10	835,138,000.54	100%	Completed
5.	Ereja Road about Erejuru Isaare Oke Oye Sabo (Irojo) Ilesha	3.38	539.158,927.91	100%	Completed
	Grand Total	50.5	5,245,729,794.95		Completed

2. REHABILITATION OF IPETUMODU – ODEOMU ROAD: The road project was approved in the year 2017 at a review total sum of ₦377,991,976.96. However, the total sum of ₦237,500,000.00 had been paid to the Ministry via the payment vouchers MW/PV/02/12/2017 (₦125,000,000.00), MW/PV/01/04/2018 (₦75,000,000.00) and MW/PV/02/05/2018 ₦37,500,000.00 respectively leaving the balance of ₦140,491,976.96 in the bank. It was reported in our past Audit report that some sections of the road had failed and is deteriorating daily due to poor construction and sub-standard material used for the road rehabilitation. Also, it is pertinent to remind you that the total amount of ₦237,500,000.00 already expended on the project and the Balance of ₦140,491,976.96 in the bank had been queried for poor performance without an acceptable response. To our

dismay this year, the said Road Project has been undertaken by Osun State Road Maintenance Agency as part of critical intervention/emergency spot rehabilitation, as approved and funded by Mr. Governor. Therefore, the road that the Ministry of Works and Transport claimed to be ongoing for the past four years without completion is now being repaired by another Agency of Government at a lesser cost. In view of this, the Ministry of Works and Transport should recover the balance of ₦140,491,976.96 presently in the bank where the fund was saved and pay it into the Government treasury, while the evidence of recovery and payment to government coffers be forwarded to this office for examination to avoid further queries.

3. REHABILITATION/CONSTRUCTION OF SEVEN (7) ROAD PROJECTS THROUGH DIRECT LABOUR EXECUTION IN THE STATE:

In the month of April 2021, Mr. Governor graciously approved the total sum of ₦1,673,002,839.60 for the rehabilitation/construction of Seven (7) selected Roads in the State as part of his relentless effort aimed at spreading dividends of democracy to every nook and cranny of the State. The available records revealed that 50% of the total project cost was immediately released for commencement of the execution and thereafter the balance was released. However, to our dismay, on the 9th September, 2021 another memo was sent to Mr. Governor for Augmentation of the projects cost from ₦1,673,002,839.60 to ₦1,855,746,042.97 and was approved accordingly. The table below shows the initial project cost and proposed revised projects cost as approved.

S/N O	PROJECT DESCRIPTION	LENGTH OF THE ROAD	Initial Projects Cost	Revised Projects Cost	Difference	Miscellaneous in the project BEME	Contingencies in the projects BEME
1.	Rehabilitation of Kuta Palace road Junction-Isale Oba/Asamu Road Junction	1.30	191,320,506.62	213,189,197.34	21,868,690.80	4,227,378.00	21,782,823.70
2.	Rehabilitation /Spot Patching of LAUTECH Internet roads network and first bank-Ajegunle/Dugbe Police Station Osogbo	0.6- 45	93,194,912.33	102,570,052.73	9,375,140.40	1,924,000.00	13,675,948.21
3.	Construction of GoF Junction /Flouretia School Junction along Orioke Pure Water, Osogbo	1.62cm	233,456,205.33	244,902,822.13	11,446,616.80	3,314,400.00	33,624,104.90
4.	Rehabilitation of Iloro Aganhun Division 'C' Police Headquarter, Ile- Ife	2.30km	236,387,201.83	271,317,832.85	34,930,631.02	4,526,400.00	29,723,729.35
5.	Rehabilitation of Ikirun-Eko-Ende Road	2.50km	341,505,595.50	376,131,566.50	34,625,970.00	5,070,840.00	34,297,885.50
6.	Rehabilitation of Nike Gallery-Ido Osun Township Airport with 25m Palace spur.	2.60km	298,273,938.47	342,979,053.82	44,705,114.35	6,321,207.00	30,814,067.31
7.	Rehabilitation of Chief Adebisi Akande/Olajokun Park-Adenuga junction Oke-church-Olufi Market, Gbongan	3.75km 2.50km	278,864,478.52 298,273,939.47	304,655,518.60	25,791,040.00	6,340,363.80	40,049,445.41
		14.615	1,673,002,839.60	1,855,746,042.97	182,743,203.37	31,724,588.80	203,968,004.38

Audit Observations:

- i. **Contingency and Miscellaneous in the BEME:** Having study each of the project Bill and Mr. Governor's approval, the Audit observed that the estimated cost of the contingency in each of the project bill was outrageous. The rate used by the Ministry to evaluate the contingency in each of the road project would appear to be very high as compared with the international standard which provide that the rate for contingency should not be more than between 1% - 10% of the total budget to cover any extra cost on material and labour in any construction. So having used more than 10 percent, it appears as if the amount of the contingency that was added to the bill of the project cost is higher than the standard range. Also, Miscellaneous was another infractions noted in the BEME. The total sum of ₦31,724,588.50 was appropriated as miscellaneous and expended. The Director of Highway should explain with documentary proof whether there was a difference between contingency and miscellaneous added to each of the project cost. Similarly, the overestimation of contingency on each of the project has become a subject of Audit query number PME/MWT/2021/01.
- ii. **The Propose Revised Project Cost:** It is pertinent to state that the initial approved total cost for the above 7 road projects was ₦1,673,002,839.60. However, available records revealed that another memo was sent to Mr. Governor dated 9th September, 2021 in respect of the same roads where the total sum of ₦182,743,203.37 was approved as a reviewed projects cost, thereby increasing the initial project cost of ₦1,673,002,839.60 to ₦1,855,746,042.97. The Audit as an institution and a watchdog on public finances would not fold her arms watching financial infractions in the projects expenditures as shown on the above table. So, the fact that inappropriate provision for both contingency and miscellaneous had been incorporated into the Bill to take-care of unforeseen projects circumstances and extra work on the sites as contained in the Bill presented, there shouldn't be any reason for upward review of the same projects cost again.

Also, since there was no delayed in the period of payment and Execution of the projects (all were done the same year) the Audit wondered what might be the reasons for upward review again. The Accounting officer should explain with

documentary proof within 7 days of receipt of this report the methodology used in their reviewed/evaluated cost for augmentation of the projects.

- iii. **Verification Exercise:** The Project Monitoring team had visited the 7 project sites and the projects have been substantively completed. However, it is pertinent to call the attention of the Director Highway (DH) to the Rehabilitation of Kuta Palace-Isale Oba Road Asamu Junction and the Rehabilitation of Iloro-Aganhun-Division C police Head Quartered road in Ile-Ife. These two roads were partially completed. About 25meters line-drain was not constructed at kuta/Asamu road project, likewise, Iloro Aganhun Division C Police H/Q road Ile-Ife, about three-pit points were discovered beside the road project that need to be filled or stone-pitch. During the visit, attention of the Zonal Engineers- Ife and Iwo have been drawn to these observations and nothing has been done to the locations mentioned till the time of writing this report. The Ministry is hereby implored to consider the huge amount of fund committed to these two road projects, and repair the affected locations indicated above, in order to enable the public and the road users get value for the money the government had expended on those roads. The Ministry should go back to the site for the construction of line-drain to the location mentioned above and as well stone-pitching the three pit points beside the said road in order to prevent erosion affecting the road.

- 5. REHABILITATION OF FOUR ROADS PROJECTS BY DIRECT LABOUR:** During the year under-review, another set of four roads projects were approved and funded in addition to the 7 roads projects earlier approved. It is pertinent to put on records that the total sum of the 4 road projects was ₦804,067,399.85 as approved dated 31st May, 2021. On the 15th January, 2022 another memo for the Augmentation of the same 4 road projects was approved by Mr. Governor at a reviewed project cost of ₦896,797,750.71. The following table show the 4 projects analysis.

S/N O	PROJECT DESCRIPTION	LENGTH OF THE ROAD	Initial Projects Cost	Revised Projects Cost	Difference	Miscellaneous in the project BEME	Contingencies in the projects BEME
1.	Rehabilitation of Lawyer Atanda /Odo-Ori/Adeleke Road – Iwo/Osogbo Road Junction with spur to Odo-Ori	2.550	#360,551,196.25	403,580,715.26	43,029,519.01	32,633,604.66	53,225,923.35
2.	Rehabilitation of Prof. Olu Aina-All Souls Anglican Church with spur to Oyebamiji Street	1.806	230,712,344.98	256,591,329.35	25,878,984.37	-	47,035,992.33
3.	Rehabilitation of Akede – Iyaloja Junction- Amulegbaro- Ojege Community Oke-Baale Osogbo	1.025m	177,638,157.42	197,436,295.90	18,798,138.48	2,782,150.00	48,853,240.90
4.	Construction of Access Road to Fountain University, Osogbo	305m	35,165,701.20	40,189,410.20	5,023,709.00	-	1,644,556.20
	Total	5.686	804,067,399.85	896,757,780.71	92,730,350.86	35,415,754.66	150,759,712.78

Critical examination of the projects BEME which eventually led to the above table. The Audit have no option than to raise Audit alarm on another noticeable infractions discovered on the 4 newly approved projects with total cost of ₦896,797,750.71. For instance, Rehabilitation of Lawyer Atanda /Odo-Ori/Adeleke Road – Iwo/Osogbo Road was reviewed from ₦360,551,196.25 to ₦403,580,715.26 including miscellaneous and contingencies of ₦32,633,604.66 and ₦53,225,923.35 respectively. Relevant information both local and international as earlier stated revealed that no professional Engineer would make provision for miscellaneous or contingencies more that 10 percent of project cost. However, it is disheartening to observe that the cost of miscellaneous and contingencies that were added to the project's cost was too high (as shown above). All these were infractions. Aside the fact that most of these roads projects have not reached 50% of the completion stage when the argumentation was approved. Also, the Audit observed that the cost for contingencies and miscellaneous added to the project cost were fabricated figures that are tantamount to infractions in the public finances. In view of this, the overestimation of contingency on each of the project has become a subject of Audit query number PME/MWT/2021/02.

5. CONSTRUCTION OF ICONIC FLYOVER BRIDGE AT OLAIYA OSOGBO UNDER THE ALTERNATIVE PROJECT FUNDING APPROACH (APFA)

The project was awarded to Messrs Peculiar Ultimate Concerns Limited under the Alternative Project Funding Approach (APFA) at a contractual sum of ₦3,108,379,829.76 exclusive of cost of funding of 6%. The project was approved in February, 2021 and has been completed as at the time of writing this report.

6. **REHABILITATION OF IPETU-IJESA TOWNSHIP ROAD:**

This road project was approved by Mr. Governor in the year 2020 through direct Labour execution at total cost of ₦50,811,135.70. However, the available record

Revealed that the sum of ₦20,000,000.00 had been earlier released and expended on the project. Consequent upon the above, a request for balance of ₦50,811,135.70 was made to Mr. Governor and approved dated 9th July, 2020. The Audit observed that the fund had been released vide the release warrant with reference number AIF. 027/T/vol.1/110 dated 15th July, 2020. During the Audit visit to the project site in the year 2021, the progress of work has reached 41.32% completion stage. However, all our effort to visit the project site in the recent time was frustrated by the zonal Engineer Ilesa. The Engineer did not make himself available for the verification exercise. Aside this, the Audit observed that this project ought to have been completed since, because some projects that were approved thereafter have been completed. So it appears as if the Ministry had abandoned the project.

In view of this, the Ministry should explain within 7 days of receipt of this report what cause the delay in the completion of the project since 2020 while others direct labour projects approved at the same time and thereafter have been completed.

7. **CONSTRUCTION/ REHABILITATION OF KELEBE/IRAGBIJI ROAD**

(16.55KM): The road was awarded to Messrs Slavabogu Nigeria Limited through contractor finance mode under the alternative project Financing Approach (APFA) dated 16th June, 2020 at contractual sum of ₦1,628,279,540.43. However, the project was ongoing as at the time of Audit independent visit to the site in January, 2022, contrary to the agreement jointly signed, as contained in the MOU, where the parties agreed that the project shall be completed within Eight (8) months from the date the contractor received the Irrevocable Standing Order (ICPO) but till time of writing this report the project is ongoing. In view of this, the Ministry should explain what has made it impossible for the contractor to complete the project as earlier agreed upon and as well state the completion stage of the project through the evaluation report in your response to this Audit report.

8. **DUALIZATION OF AKODA AND CONSTRUCTION OF CHIEF ABDULKAREEM ADEBIS AKANDE TRUMPET BRIDGE:**

The Project was awarded in April, 2013 to Messrs. Ratcon Construction Ltd, at a contractual sum of ₦29,233,966,754.20. As stated in your response to the last Audit report that the project has reached 35.5% physical completion with seven (7) number interim certificate raised amounting to ₦13,768,090,410.00 and you made it known to the Audit that the amount paid to date was ₦11,810,000,000. However, it is very disheartening that the project that had been awarded for the past 9 years have not been completed till date. Audit made it clear in the last year Audit report that this project is likely to be abandoned because the level of the project performance is appealingly discouraging.

During our independent visit to the project site in February, 2022, the contractor was not on site but the Audit observed traces of work-in-progress on the patching of the road by the Federal Road Maintenance Agency (FERMA). So, the Audit want to know if the contractor has reached the agreed milestone. Also, the Audit needs clear explanation/Clarification on the engagement of the FERMA and the State ministry of works and transport that do inter-changes the patching of the road already awarded to a contractor.

9. **CONSTRUCTION OF OBA ADESOJI ADREMI WAY (EAST BY PASS):** This project was awarded in the year 2012 at contractual sum of ₦14,568,005,834.22 to Messer Slava Yeditepe Project Limited. The available record revealed that the scope of work on the original design drawings has been changed due to some modifications/improvement based on the site conditions. The explanation on the new designed was disclosed in your response to the last Audit report. However, the Ministry did not attach the BEME to the report to enable the Audit check the financial implication of the original design drawings as against the new design. In view of this, the Ministry should forward the new approval on the new design to this office within 7 days of receipt of this report. During our independent visit to the project site, the project was ongoing but at a slow-pace.

10. **DUALIZATION OF OSOGBO IKIRUN ILA-ODO KWARA STATE BOUNDARY ROAD:** This project was awarded to Messrs, Sammya Nigeria Limited in the year 2012, by the last Administration at a contract sum of ₦17,807,367,849. The available record

revealed that the sum of ₦10,272,000,000 had been paid by the Accountant General directly to the contractor while the sum of ₦750,000,000 was paid to the contractor by the Ministry of Works and Transport totaling ₦11,022,041,653.63 leaving the balance of ₦6,783,326,195.37. Considering the level of works done by the contractor and the available balance of ₦6,783,326,195.37 it shows that the contractor has assessed fund more than the work done. Aside this, during the Audit visit to the road project, the Audit observed sub-standard and inferior job been done by the contractor especially on the newly constructed lane from Dagbolu junction to Ikirun, although the work is ongoing but the Audit is not satisfy with the low pace and standard of work done by the contractor on a federal road even on the completed section. Therefore, the supervising Engineer on the project should write a report on the quality of job been done by the contractor and the Ministry should also set-up committee to inspect and write a situation report on the quality of job been done by the contractor. So, if the two reports is send to this office, it would enable the Auditor General as a watch dog on public finances to have an assurance of value for money the Government has expended on the road project.

B. BUILDING DEPARTMENT:

11. OPERATIONAL BUILDING FOR OSUN WOMEN DEVELOPMENT ASSOCIATION

(OSUNWA): The total sum of ₦72,080,579.31 was approved by Mr. Governor dated 4th May, 2021 for the construction of Operational Building for Women Development Association through direct labour. The amount was appropriated in the 2021 Budget Estimate of the Ministry under Administrative code 011100119 and Economic code 32010101. Available records revealed that the sum of ₦36,040,289.66 has been released and expended. In view of this, the Ministry is hereby implore to forward the BEME of the project and the relevant expenditure proof to this office within 7 days of receipt of this report. Then, the Building Department should arrange for the inspection of the project accordingly.

C. MECHANICAL AND ELECTRICAL DEPARTMENT

CONSTRUCTION OF SMALL HYDROPOWER PLANT AT IKEJI ILE: Reference to your response letter dated 17th July, 2019 on the above named project with reference number EST/192/V01.iv where you agreed with the Audit that the sum of ₦113,795,767.32 had been paid into the Ministry's Account, out of this the sum of

₦85,316,825.49 was paid to the contractor without effecting the statutory deductions totaling ₦20,483,238 i.e 18% of 113,795,767.32. The Ministry also agreed that the balance of ₦28,478,941.83 is still in the Ministry special Account. Also, the Ministry made it known to the Audit that the contractor had demanded for variation which the Ministry has sent to Mr. Governor for approval. In view of this, the Ministry should inform the Audit on the latest development on the project including the current status of the balance of ₦28,478,941.83 purported to have been kept in the Ministry special Account since 2019 or give the full details of the whereabouts of the fund.

In the year under review, approvals were given on 9 different road Projects in the State for spot rehabilitation. The Project verification exercise was carried out by the project monitoring Team of the office of the Auditor General (State). During the exercise, it was observed that some Projects have been completed while some were on-going.

2. The following are the projects status during the year under review.

S/No	Project Location	Project costs (Direct Labour)	Amount Release to Date	Outstanding Balance	Project Status
1.	3 Nos. Undermined Culvert-Igbona-Anaye-Oke Oniti Ota Efun	6,324,723.21	6,324,7223.21	0.00	Completed
2.	Rehabilitation of Igbeyangi/Ada Road, Ada	34,420,463.14	25,000,000.00	9,420,463.14	On-going
3.	Rehabilitation of Egbeda Iragbiji Road	48,779,416.52	35,000,000.00	13,779,416.52	On-going
4.	Spot Rehabilitation of Oja- Oba-SabooTesting ground-Osogbo Road	39,809,580.19	-	-	-
5.	Routine Maintenance /Desitting Line drain, culverts, clearing of verges cutting of trees and provision of caution road signs across the State	37,514,641.18	7,642,761.65	29,954,899.28	On-going
6.	Rehabilitation of Government – house Road Network	7,597,660.93	7,597,660.93	0.00	Completed
7.	Pothole patching of major Road Network within the State Secretarial Abere	7,375,809.77	7,375,809.77	0.00	Completed
8.	Rehabilitation/construction of Popo Marvellous/ Obaagun Road , Iragbiji	324,026,013.88	150,000,000.00	174,026,013.88	On-going
9.	Rehabilitation/construction of Eesade – NUD Government Middle Schools Iragbiji	122,173,479.00	60,000,000.00	62,173,479.00	On-going

Spot Rehabilitation of Oja–Oba–Sabo/Testing Ground Osogbo The Audit

observed that the spot rehabilitation of Oja-Oba-Sabo-Testing ground had been approved but has not been cash-backed as revealed on the table above. Therefore, this Agency is hereby implored to inform this office immediately the project is funded for Audit verification.

4. **Emergency Routine Maintenance /Desisting of Line Drains and culverts, Clearing of Verges and Cutting of Overhanging Trees and Provision of Cautionary Road Signs across the State of Osun.**

The total sum of ₦37,514,641.18 was approved for the execution of the above stated project in the year under review. The records made available revealed that the project was ongoing and the sum of ₦7,655,225 has been released from the total sum. However, during the examination of the available documents the Audit discovered that the projects mentioned under the above captioned were four in numbers, i.e

- (i.) Desilting of Line drain and culverts, (ii) Clearing of verges (iii) Cutting of Overhanging Trees
- (iv) Provision of cautionary road signs, across the State of Osun. The Audit discovered that the approval was given without specify the locations where each of the project would be undertaking in the memo approved by Mr. Governor. Aside this, the fund approved was not accordingly appropriated or apportioned to each of the project stated above. The available payment vouchers in lieu of ₦7,655,225 released to the Agency revealed that the fund (₦7,655,225) was expended only on desilting of line drains and culverts in Osogbo zone, precisely Osogbo town. Also, it is pertinent to put on record that the project Monitoring team of Audit have not been informed to visit any of the location where the Agency claimed in their record to have carried out the desitting of the line drains and culverts on which the sum of ₦7,655,225 released has been expended. Therefore, it is important to state that by the time the verification exercise to the acclaimed sites/locations are carried out and Audit find

little or no traces of works done on desilting of drains and culverts, the Audit would not hesitate to issue Audit query.

In view of this, the Agency is hereby implored to inform Audit immediately the projects are completed in order to carry-out compliance and performance Audit.

5. **Critical Intervention/Emergency Spot Rehabilitation of Selected Roads in all the zone's in the State of Osun**

During the year under reviewed the total sum of #1,018,083,225.80 was approved by Mr. Governor dated 26th December, 2021 for Critical Intervention/Emergency Spot Rehabilitation of Selected Roads in the geo-political zones in the state through direct labour execution. However, during the Audit examination of the relevant records, it was observed that the sum of #497,000,000.00 has been released as part payment.


The project monitoring team of Audit had visited all the approved roads sites in each zone and the work is on-going in all the roads. The Agency is hereby implored to do a good job and inform this office immediately the Road projects are completed in order to carry-out compliance and performance Audit.

AUDIT CERTIFICATION OF ACCOUNTS

In compliance with the provisions of section 125(2) of the Constitution of Federal Republic of Nigeria (as amended) and State of Osun Audit Law 2019. I have examined the Accounts and the financial statements of the State Government of Osun for the year ended 31st December, 2021.

The Financial and Compliance Audit was conducted in accordance with auditing requirements and standards as specified by laws and regulations guiding auditing both Nationally and Internationally. In the discharge of my responsibility as required by section 125 (5) of the same constitution, the financial statements have been certified subject to comments contained in the management reports.

In my opinion, the General Purpose Financial Statements IPSAS Accrual Basis; Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flow, Statement of Comparison of Budget & Actual Amounts (On Cash Basis) and the Notes to the Accounts give a true and fair view of the State of affairs of the State Government of Osun as at 31st December, 2021.


Folorunso Adesina
Auditor-General
State of Osun

AUDIT CERTIFICATION OF ACCOUNTS

In compliance with the provisions of section 125(2) of the Constitution of Federal Republic of Nigeria (as amended) and State of Osun Audit Law 2019. I have examined the Accounts and the financial statements of the State Government of Osun for the year ended 31st December, 2021.

The Financial and Compliance Audit was conducted in accordance with auditing requirements and standards as specified by laws and regulations guiding auditing both Nationally and Internationally. In the discharge of my responsibility as required by section 125 (5) of the same constitution, the financial statements have been certified subject to comments contained in the management reports.

In my opinion, the General Purpose Financial Statements IPSAS Accrual Basis; Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flow, Statement of Comparison of Budget & Actual Amounts (On Cash Basis) and the Notes to the Accounts give a true and fair view of the State of affairs of the State Government of Osun as at 31st December, 2021.

Folorunso Adesina
Auditor-General
State of Osun

